Austria ..... Sch 15	Indonesia .. Rp 2500	Portugal ..... Esc 65
Bahrain .... Din 0.650	Italy .... L 1100	S. Arabia ..... Rls 8.00
Belgium ..... BFr 35	Japan Y550	Singapore ... S$ 4.10
Canada ..... C$1.00	Jordan .... Fils 500	Spain .... Pts 95
Cyprus ..... Mils 600	Kuwait .... Fils 500	Sri Lanka .... Rup 30
Denmark ... DKr 7.00	Lebanon ..... LL 8.00	Sweden ...... Skr 6.50
Egypt .... ££1.00	Luxembourg .. LFr 35	Switzerland .. SwFr 2
Finland ..... Fmk 5.50	Malaysia .... Ring 4.75	Taiwan .... NT$ 35
France ..... FFr 5.50	Mexico ...... Pes 300	Tunisia ...... Din 0.600
Germany ..... DM 2.00	Morocco ..... Dh 6.00	Turkey .... L 150
Greece .... Dr 60	Netherlands .. Fl 2.75	U.A.E. .... Dh 6.50
Hong Kong ... HK$ 12	Norway ...... Kr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines ... Pes. 15	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,197 Thursday December 15 1983 D 8523 B

Banking: debt crisis gives birth to a new market, Page 21

NEWS SUMMARY

GENERAL

Argentina to charge three juntas

Argentina's new President Raul Alfonsin has ordered the court martial of the three military juntas which ruled the country between the 1976 coup and the end of the Falklands war in 1982.

He has asked parliament to repeal an amnesty law protecting all officers who violated human rights in that period.

President Alfonsin's Cabinet met for the first time to approve seven laws to lay down the rules for a democratic state, which are due to be debated by : parliament today. They include a sweeping reform of the legal system, which has been controlled by the military in violation of the constitution. Page 4

U.S. battleship opens fire

U.S. battleship New Jersey opened fire with its 16-inch guns on Syrian-held positions in the mountains north-east of Lebanese capital Beirut. American officials said this was in defence of an air reconnaissance mission.

In Damascus, diplomats said the visit of Saudi Foreign Minister Prince Saud al-Faisal, who arrived last night, was aimed at persuading Syria not to retaliate against the U.S. fleet.

In London, UK Premier Margaret Thatcher promised visiting Lebanese President Amin Gemayel continuing support in reconciliation and restoring Lebanese sovereignty. Page 20

Walesa summoned

Polish workers' leader Lech Walesa was suffering from a fever yesterday. Facing increased harassment, he was summoned to Gdansk police headquarters for questioning in the evening. Page 3

France faces strikes

French seamen plan a series of one-day strikes from Saturday in their campaign for retirement at 50 with full pension rights and to safeguard jobs. French television and radio were badly disrupted yesterday by a one-day pay strike.

Pacifists arrested

Two members of the East German Women for Peace group were arrested after meeting a member of the British Campaign for Nuclear Disarmament, who was detained near the border with West Berlin.

Shah's villa ruling

A Swiss canton court has rejected an Iranian Government plea for the confiscation of the late Shah's St Moritz villa.

El Al bows to rabbis

Israeli airline El Al has given in to pressure from rabbis who said flying over Jerusalem's Temple Mount defied religious law.

Official's 70-day fast

Franco Cupini, 38, an EEC official in Brussels, reached the 70th day of a hunger strike aimed at making developing nations and the EEC show more respect for human rights. He has lost 13 kilos and says he will probably stop next week.

Briefly...

Vienna Funfair ghost train, billed as Europe's biggest, was burnt out.

Peking residents killed 2,270,000 rats in a month's extermination drive.

Bangladesh freed about 120 political detainees.

BUSINESS

Germans check surge of dollar

● **DOLLAR eased in late European trading after heavy intervention by the Bundesbank. It fell to DM 2.766 (from DM 2.768), FFr 8.4375 (FFr 8.45), SwFr 2.2115 (SwFr 2.22) and Y234.95 (Y236.25). Its Bank of England trade-weighted index was unchanged at 130.8. In New York it closed at DM 2.7642; SwFr 2.217; FFr 8.44 and Y234. Page 39**

● **STERLING** rallied during the day, but fell 25 points to a closing low of $1.417, and to DM 3.9225 (DM 3.9325), FFr 11.9525 (FFr 11.9825), SwFr 3.1375 (SwFr 3.1525) and Y333.25 (Y335.5). Its trade weighting fell from 82 to 81.8. In New York it closed at $1.4215. Page 39

● **GOLD** fell $1 in London to $388.475. In Frankfurt it fell $1 to $389, and in Zurich it dropped $0.75 to $389. Page 38

● **LONDON:** FT Industrial Ordinary index edged up 0.5 to 751.1. Government securities showed modest falls. Report, Page 33. In New York the Comex December settlement price was $388.5 ($390.3). FT Share Information Service, Pages 34, 35

● **WALL STREET:** Dow Jones industrial average closed down 9.24 at 1,246.65. Report, Page 29, full share listings Pages 30-32.

● **TOKYO:** Nikkei Dow index closed 15.61 up at 9,401.17. Stock Exchange index rose 0.89 to 696.19. Report, Page 29. Leading prices, other exchanges, Page 32

● **SUGAR** values fell. The London daily raw price was £7 down at £130 ($184.21) a tonne. Page 38

● **JAPAN** has relaxed currency rules for foreign banks. Page 22 Japanese companies' business confidence has improved in the last three months, says the Bank of Japan. Page 4

● **SOVIET** industrial production rose by 4.1 per cent in the first 11 months. Soviet meat production, 15.5m tonnes for 11 months, has beaten the previous annual record. Page 3

● **HAMBURG** trans-shipments are down 18 per cent this year, to an estimated 51m tonnes, the same level as in 1973. Page 5

● **FLUOR,** U.S. engineering and construction services group reported a fall in earnings to $27.7m from $152.8m last year, after disposal of the groups distribution activities. Page 21

● **AT&T** will merge its Western Electric manufacturing division into a new subsidiary, AT&T Technologies, which will combine research and development, manufacturing and all AT&T equipment business. Page 21

● **BRITISH AIRWAYS** signed a $200m leasing deal for 14 Boeing 737-200 jets, to be financed by a group of banks led by Chemical Bank of the U.S. Page 6

● **TOSHIBA,** the Japanese electrical goods and semiconductors group, reported earnings for the half-year ended September 41 per cent up at Y26.2bn ($110.9m). Page 22

● **HOOGOVENS,** the leading Dutch steelmaker, is to cut another 730 jobs before 1986 and shut one of its four hot strip mills. Page 21

● **NORTH SEA SUN OIL,** a subsidiary of Sun of the U.S., signed to borrow $400m from 14 banks to develop the Balmoral field, part of $700m investment in the UK over five years. Page 29

● **DE LOREAN MOTOR,** the failed Belfast project, might still be producing 7,500 cars a year, with 1,200-1,400 employees, had it been more modestly run, joint receiver Sir Kenneth Cork told the UK House of Commons public accounts committee.

Strasbourg bid to block $1bn rebate to London, Bonn

BY JOHN WYLES IN STRASBOURG

The European Parliament will vote today on divisive proposals for a 1984 EEC budget that include a move to freeze at least until the end of March the payment of 1.2bn European currency units ($984m) of rebates on British and West German payments into this year's budget.

Outraged British members of the parliament were last night lobbying vigorously against the proposal, which was adopted by 23 votes to 11 by the parliament's budget committee. It is at the centre of an attempt by the parliament to use the 1984 budget to press member governments into remedying the failure of last week's Athens summit to reach agreement on key EEC reform issues.

MEPs had entertained the idea of rejecting the EEC's 1984 budget as a whole if the summit failed but they are now afraid of deepening the Community's political and financial crisis.

As a result, they are likely today to pass an Ecu 25.3bn budget, containing some elements objectionable to member governments, but which could be executed by the European Commission.

Freezing Ecu 1.2bn, covering a West German rebate of Ecu 450m as well as the British Ecu 750m rebate, is seen by its supporting MEPs as the only viable means of demonstrating that the parliament wants agreement on agricultural and budgetary reforms by the next summit in March. The summit would also be expected to provide a long-term solution to the British budget problem.

But the resolution has deeply angered Britain's Conservative and Labour MEPs alike and was condemned by a British Government official as "blatantly discriminatory against the UK." Mrs Barbara Castle, leader of the 17-strong UK Labour group, immediately called on Mrs Thatcher, the British Prime Minister, to cut the UK's payments to Brussels to £23m ($33m) a month. That would fix Britain's net contributions at the level Mrs Thatcher signalled as appropriate during the abortive summit negotiations last week.

The Labour group will vote today against freezing the rebate and for rejecting the entire budget. The 61 British Conservatives will also try to defend the rebate but they may abstain on the budget as a whole.

Both British political groups thought there was an outside chance of saving the payment because of the procedural need for an absolute majority of 218 votes to freeze it.

The action was then balanced by an attempt also to freeze 850m Ecu of farm payments. Both moves were rejected by EEC budget ministers, who refused to give in to the parliament during late-night negotiations here on Tuesday.

After its Tuesday night failure to agree with the Council of Ministers on key aspects of the Community budget, the budget committee is recommending acceptance of the council's stand on agriculture but continued action against the UK payment.

A budget squeeze can't be avoided, Page 19

EEC agrees on outline plan for steel industry

BY PAUL CHEESERIGHT IN BRUSSELS

EEC INDUSTRY ministers yesterday agreed on the outlines of a package of measures to stabilise the Community steel market.

They reached broad political understanding on introducing minimum price controls, backed by measures to deter producers from discounting and to dampen sudden changes in steel trading patterns.

But they failed to reach agreement on how the new measures should be applied if, as remains the hope, they can be introduced next month.

A series of intensive meetings at official and industry level start today on the still difficult task of settling technical problems. Ministers will meet again on December 22.

"We have brought a degree of provisional serenity to the steel file," Viscount Etienne Davignon, the European Commissioner for Industry said after the meeting in Brussels.

Klöckner fine

The European Court of Justice has ordered Klöckner-Warke, the West German steel producer, to pay fines of DM 23.9m ($8.6m) owed to tha European Commission for breaches of the EEC's crisis regulations for tha steel industry. Klöckner-Werke warned it would seek an injunction if the Commission attempted to collact the fina. *Page 20*

The Commission first proposed at the end of last month minimum price controls for flat steel products, covering some 40 per cent of EEC steel output, accompanied by enforcement measures.

The controls would be in place for a limited period to stiffen the existing system of production quotas for steel companies and price guidelines.

This system is designed to allow the steel companies some protection as they restructure their operations with the aim of eliminating subsidies by the end of 1985. But it has been damaged by price discounting and production above quota limits.

The outstanding problem yesterday did not concern the principle of having price controls. It sprang from the need to reconcile the West German insistence that steel trading should be controlled by a system of quotas for each national market with the opposition of the Benelux countries to any steps which would fragment the EEC market.

The trade question has to be settled because be Ten agreed that new measures to stabilise the mar-

Continued on Page 20

BNOC proposes unchanged N. Sea prices in next quarter

BY RICHARD JOHNS IN LONDON

BRITISH National Oil Corporation (BNOC) yesterday proposed to keep its North Sea oil price unchanged for the first quarter of 1984. The plan is expected to meet some stiff resistance, but is likely to win eventual acceptance.

The BNOC announcement provided some belp for the pound on the foreign-exchange markets. While the dollar was easier, sterling finished in London at $1.417, down 25 points on the day, but well above lows seen during trading.

British Petroleum, Shell and Esso – together accounting for nearly half the output from the UK Continental Shelf – are all understood to favour stability because of the possible long-term consequences of a cut. In particular, they fear the threat to the Organisation of Petroleum Exporting Countries (Opec) structure from a UK reduction.

Many of BNOC's customers, though, will balk at prices based on a $30-a-barrel reference for Brent Blend, the North Sea reference, with rates on the spot market still well below official nnes.

The buyer-seller range quoted for Brent Blend yesterday was $28.60–$28.80, more than a dollar under the official selling rate. Nigerian Bonny Light, a slightly superior crude, also with an official selling rate nf $30, was bolding up rather better at $28.85–$29.

Some 25 producers and 35 customers, all notified of BNOC's proposal yesterday, will be involved in negotiations with the corporation. BNOC hopes to conclude the exchanges with agreement by Christmas, but several senior oil company executives believe they might spill over into the new year.

North Sea prices could be agreed and set retroactively as they were in April after Opec's price cut of $5 a barrel. BP did not formally accept those new rates until nearly four weeks after the beginning of the quarter.

A continuation of the present price level might cause grave difficulties for BNOC, which disposes of royalty crude on behalf of the UK Government and in addition purchases 51 per cent of oil produced by UK operators at official selling rates. It might suffer losses if it were forced to sell at much lower prices on the spot market and might even fail to find nutlets for a proportion of the crude which it must sell.

There is speculation that one U.S. customer may not renew contracts. The latest figures issued by the American Petroleum Institute show stocks up and refinery runs down.

On balance, the industry favours maintaining prices to maximise profits at the production end of the business

Lex, Page 20; Spot oil prices, Page 38; Money markets, Page 39

UK print decision divides unions

By Philip Bassett and John Lloyd in London

THE BRITISH Trades Union Congress (TUC) yesterday affirmed that its support for the craft print union, the National Graphic Association (NGA), and thus its opposition to the Conservative Government's employment legislation, would be kept within the law.

The decision preserved the authority of Mr Len Murray, the TUC general secretary, but was at the cost of deep divisions within the TUC's general council, which met in emergency session yesterday.

There was a bitter denunciation by Mr Joe Wade, the NGA general secretary, whose union has been involved in direct conflict with the legislation over its dispute with the Stockport Messenger newspaper group in North-west England.

The general council voted 29–21 to refer back to the TUC's employment policy and organisation committee (Epoc) its decision to take a "sympathetic and supportive attitude" to the NGA's action against the Messenger group. That decision had been repudiated by Mr Murray early on Tuesday morning on the ground that it opened the TUC itself to legal action.

The council has asked Epoc to "consider the issue further in the light of developments" – a clear command that its expression of support is unacceptable.

The NGA is to report on the council's decision to a meeting of its own national council today. But it was clear last night that effective prosecution of its dispute with the Messenger group was now over. Mr Wade, however, promised that it would campaign within the TUC for a reversal of yesterday's decision.

Mr Murray's own authority, and his strategy of directing TUC opposition to the Government's employment legislation into lawful channels, had been put at risk by the issue. At yesterday's general council meeting he was subjected to a fierce tirade for his actions by Mr Clive Jenkins general secretary of the Association of Scientific, Technical and Managerial Staffs. But other members were more moderate and most were in strong support.

Mr Murray achieved this majority because of a 2:2 split in the votes of the delegation from the National and Local Government Officers Association (Nalgo). The Nalgo delegates had been bound by a decision of their executive to express support for the NGA. In addition on this occasion. Mr John Morton the

Continued on Page 20

Allianz, BAT raise bids for Eagle Star

BY JOHN MOORE IN LONDON

BAT INDUSTRIES, the tobacco group, and Allianz Versicherung, West Germany's largest insurer, raised the stakes yesterday in the takeover contest fnr Eagle Star Hnldings, the British insurance group.

Allianz made the first move at the start of trading on the London stock market, raising its bid to £920m, but that was topped an hour and a half later by BAT with a bid worth £934m.

On the stock market yesterday the share price of Eagle Star rose 1p to 718p, valuing the group at £990m.

Morgan Grenfell, the merchant bank advising Allianz, said that in spite of the BAT move, "the battle must be seen to be continuing." In Munich, Allianz said a decision on the latest development in the battle is likely to be made next week.

As soon as BAT produced its higher offer, Allianz confirmed "that it maintains a committed interest in this matter and is giving careful consideration to these new developments with its advisers. In the meantime, shareholders of Eagle Star are urged not to sell their shares in the market nor take any other action in respect of their holdings."

Sir Denis Mountain, chairman of Eagle Star, who has told Allianz that should it succeed in taking over bis group it would lead to "a loss of business and staff morale," said yesterday that his board "will naturally be recommending the higher offer from BAT. A merger with BAT gives us an exciting future, and good assurances to our staff."

In the new bids fnr Eagle Star, Allianz is offering 665p per share in cash, while BAT Industries is offering 875p a share in cash.

Allianz said that its new offer had been announced yesterday "at the request of the Panel on Takeovers and Mergers," the government authority that monitors the progress of all takeover bids nf public companies in the UK.

Allianz said its new offer had been made before it "has concluded its complete review of the Eagle Star Group. It is regretted that this exercise is being carried out without the benefit of all the business, financial and operational information which is being sought by Allianz from the board nf Eagle Star. Failure to provide sucb informatinn may well be to the ultimate detriment of Eagle Star sharehnlders."

Continued on Page 20
Lex, Page 20

Reuters directors confirm flotation

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT, IN LONDON

THE BOARD of Reuters decided firmly yesterday to seek a public flotation of the international news agency and financial information service.

Reuters has been highly successful in using electronic technology to transmit financial informatinn, and the agency is thought likely to have a market value of £1bn ($1.4bn) or more if it is floated. But the plan to turn Reuters into a public company will meet political npposition from those wbo are conceroed that the quality and integrity of its news services might be affected by the change in structure.

No details of the flotation proposals are being made available by the Reuters board at this stage. Next spring has been suggested as a likely time for a flotation, with the possibility of shares' being offered simultaneously in London and New York.

Most of Reuters' present shares are held by the newspaper industry through the Newspaper Publishers Association, the Press Association, and the press associations of Australia and New Zealand.

The next stage in the flotation plan will be for the details agreed by the board yesterday to be submitted to the Reuters trustees for their comments. Under the terms of the existing Reuters Trust agreement, the trustees are responsible for ensuring that the agency does not pass into the hands nf any one interest, group or faction.

Legal advice given to the Reuters board indicates that the trust is a shareholders' agreement whicb can be terminated by unanimous decision.

CONTENTS

EUROPEAN NEWS

MBFR talks falter

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

SEVEN WARSAW PACT countries are today expected to announce that they are withdrawing from the East-West negotiations in Vienna which were convened with the aim of reducing non-nuclear forces in Europe.

Westero diplomats in Vienna said yesterday that the Warsaw Pact states had refused to set a date for the resumption of the 10-year-old Mutual and Balanced Force Reduction (MBFR) talks. The Soviet Union is expected formally to announce the adjournment at the final meeting of this round of the talks in Vienna today.

The East bloc decision comes as no surprise to Western governments. Sucb e move had been expected since the Soviet Union pulled out of the INF Euromissile talks in Geneva last month after the U.S., deployed new cruise and Pershing nuclear missiles in Britain, Germany and Italy.

Earlier this month, Moscow also withdrew from the strategic arms reduction talks (Start) by refusing to name a date for their resumption.

Western officials continue to believe that the Soviet Union will return eventually to all three arms negotiations. Diplomats in Vienna yesterday said that the Soviet Ambassador to the MBFR, Mr Valerian Mikhailov, had indicated that a date for resuming the talks would be.. set later

However, western governments are obviously alarmed at the impact on public opinion of the apparent breakdown of all major arms control talks with the East. The only forum left is the UN's Committee on Disarmament, which is not dua to resume until the spring, although much importance is now being given to the "confidence building" Security Conference due to meet in Stockholm in January.

Yugoslavia set for new IMF credit

By Aloksandar Lebl In Belgrade

THE International Monetary Fund team which has been In Belgrade for the past 10 dayo is expected to leave for Washington today with a recommendation that ugoslavia be granted a new one-year standby credit of some $400m-$500m.

The team will also take a draft letter of intent from the Yugoslav Ministry of Finance defining policies which the Government intends following next year in exchange rate, monetary and credit, interest rate and price policies.

The "aggressive devaluation" of the dinar pursued this year will be reptaced by a more moderate policy of depreciation to neutralise the margin of higb domestic Inflation over lower world inflation, with little policy change in other fields.

At a meeting in London last week, say Yugoslev officials, Western commercial banks voiced approval of the economy's performance this year with the exception of inflation. They offered to refinance all maturing principal repayments. thougb there have been some differences over the exact amount.

They were also epparently willing to reduce the spread by one-eighth of 1 per cent from this year's rate, and by even more if refinancing were less than 100 per cent.

The commitment fee would also be reduced by one-eighth of 1 per cent, refinancing would be for seven years (insteed of six years in 1983), and tha grace period would be four (three) years.

Tbe Yugoslavs would like to revert to normal financial channels for project financing and various co-financing scbemes. They see eye-to-eye with the banks in this respect, while the IMF seems to prefer this year's arrangement with commercial banks providing new money on the basis of their exposure.

Belgrade will provide government guarantees for refinancing, as in 1983, bnt not for new money obtained under normal market conditions.

Inflation in France cut only slightly

By David Housego In Paris

FRANCE now seems likely to end the year with an inflation rate only marginally down on that of 1982, according to provisional November figures showing an increase of 0.4-0.5 per cent in the consumer price index over the month.

This marks a slowing down in November over the two previous months when prices climbed by 0.8 in both. It means that prices last month were 9.8 per cent to 9.9 per cent higber.

The Government bad boped to bring down the rate of inflation by the end of this year to 8 per cent. But the 12-month rate at the end of December is now likely to be closer to 9.5 per cent or only just below the 1982 level of 9.7 per cent.

The November figures were adversely affected by the strength of the dollar, which pusbed up import prices, and by an increase in food prices. But there were no increases in public tariffs during the month

Falling births raise German Angst

BY JAMES BUCHAN IN BONN

ARE THE West Germans dying out? Tbc answer is, not quite yet. Bnt a glum prognosis pnblished in Bonn yesterday says that unless something is done there will he 18m fewer Germans in the Federal Repuhlie in 50 years time. The impact on society as a wbole could be explosive or as the report puts it, "the entire political system may face immense cballenges."

The birth rate is now half that of the 1960s and is the lowest in the world. Nobody is quite sure why. Beside the usual reasons of effective hirth control and prosperity, tbe West Germans have devised words for more abstract concepts—dislike of children (Kinderfeindlichkeit), and the heavy-duty pessimism known as Angst.

Dr Horst Waffenschmidt, the perliamentary State Secretary at the Interior Ministry, yesterday made a blanket appeal for 200,000 more births a year. The Federal Republic, "must again become a country friendly to children."

The chief threat is an increase in the population'a average age, which may have implications for the flexibility and capacity for innovation of society as a whole. In concrete terms, the proportion of people over 65 is expected to increase from 15 per cent to 23.8 per cent by 2030, requiring pension contributions to be donbled and increased social spending.

The armed forces, which at present strength require 225,000 recruits a year, will have only 152,000 young men to draw on in 1994. However the foreign population is expected to grow to 7m by the turn of the century, raising the possibility that one of every three young people in the main towns will be a foreigner.

The only bright note in the report is that unemployment, now 2.3m under the pressure of young people entering the job market, will probably fall off quite sharply from 1990.

Industrial output figures fuel recovery hopes

BY RUPERT CORNWELL IN BONN

THE LATEST data for both industrial production and new orders booked by industry will reinforce the Bonn Government's optimism that a steady recovery is under way in West Germany, Europe's largest economy.

According to figures released by the Economics Ministry yesterday, overall output during September and October was 3.5 per cent higher than in the same period of 1922. This suggests that the economy is on course for the 3 per cent real growth next year that many analysts now expect.

On the orders front, moreover, signs are multiplying that West Germany may be moving back into its traditional pattern of export-led growth, after a spell in which internal consumer demand had provided most of the momentum.

Over the same two months, new orders overall climbed by 3 per cent from a year earliar. But, while home demand grew by only 2 per cent, export orders rose by 5 per cent, with the strongest gains shown by the capital and investment goods sector.

The more encouraging trend wilt reinforce Government and amployers in their opposition to demands from the unions for a cut in the standard working week to 35 from 40 hours, on top of a basic 3.5 per cent pay rise.

The opening skirmishes in the wage round negotiations over the past few days have produced no sign of compromise—with industry claiming that to concede the unions' claim entirely would raise costs by one fifth, halt the recovery in its tracks and provoke a rash of bankruptcies.

John Davies adds from Frankfurt: Ford's West German subsidiary is introducing short-time working for 3,500 employees at its Niehl car factory in Cologne, because of lower sales of Granada and Capri models. The measure, amounting to six days this month and five days next month, affects 7 per cent of the workforce.

Ford said the setback was limited to the two models. By contrast, total new registrations of Ford models in West Germany are running 23 per cent ahead of last year.

Spanish Communists shift focus of policy

BY DAVID WHITE IN MADRID

SPAIN'S Communist Party leadership in a bid to repair a serious rift among members, has made a notable shift in the empbasis of its international policy concentrating on attacks against the U.S. and omitting any direct criticism of the Soviet Union.

The party, alongside the Italian Communist Party, has been up to now one of the most forward in its criticism of Soviet policy.

Party leader Sr Gerardo Iglesias, presenting a lengthy central committee report to the Communist congress's opening session here yesterday, reaffirmed the leadership's "Eurocommunist" stance. But his two-hour address made no mention of the Soviet Union, nor of the situation In Afghanistan or Poland, and contained only a passing reference to the Warsaw Pact in the context of the nuclear arms race. On the other hand, a large part of the report was devoted to the "war-mongering policies" and "imperialism" of the Reagan Administration.

The new emphasis was interpreted as an attempt, in the midst of an open challenge to Sr Iglesias's position as secretary-general, to rally sectors of the party wbo feel it has moved too far from Moscow.

The anti-U.S. attacks were directed particularly at the invasion of Grenada, "pressures and threats" against other Caribbean countries, "barefaced intervention," in Nicaragua and the increasing U.S. military involvement in Lebanon.

At the same time, the party has stepped up its criticism of the Spanish Socialist Government, accusing it of becoming increasingly pro-Nato.

The congress's vote on the report, due today, will be a key indicator as to the strength of Sr Iglesias, who took over a year ago following the resignation of Sr Santiago Carrillo as party leader.

Dublin spending cuts less than anticipated

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Government plans to hold public spending steady in real terms next year, according to estimates published yesterday. The plan proposes an 8 per cent increase in current spending – about level with the expected rate of inflation – and a 2 per cent rise in capital spending.

The Finance Minister, Mr Alan Dukes, said be was aiming for a public sector borrowing requirement next year of just over I£1.9bn ($2.15bn), about 15 per cent of expected gross national product. Mr Dukes said this was in line with recommendations for Ireland in a recent EEC review on economic policy.

The spending cuts are not as severe as many voters had feared. There will be increased charges for local authority services educational and hospital fees, and a sharp cut in the advance factory building programme and industrial grants to take account of the depressed state of investment.

However, much of the saving will have to come through tighter financial controls and management of projects by the public sector, rather than cuts in programmes.

The concentration of total public sector rather than exchequer borrowing this year is partly because the hiving off of the Post Office to two estate companies on January 1 will reduce government revenue by a net I£100m which will be added to exchequer borrowing.

Mr Dukes maintained that the Government can still meet its target of eliminating the deficit on current spending by 1987.

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BOND DRAWINGS

NOTICE OF REDEMPTION

To the holder of notes payable in United States Dollars of the issue designated
FLOATING RATE NOTES DUE 1985 PRIVREDNA BANKA ZAGREB,
sixth redemption due January 12, 1984 of US$2,500,000.—

Public notice is hereby given that PRIVREDNA BANKA ZAGREB intends to and will redeem for mandatory redemption purposes on January 12, 1984 pursuant to the provisions of section 5 of the notes, the following notes of the above mentioned Issue, at 100 per cent of principal amount plus accrued interest to redemption date, namely January 12, 1984.

The notes specified above are to be redeemed by mandatory redemption at the office of BANK OF AMERICA INTERNATIONAL S.A., LUXEMBOURG, ARAB FINANCE CORPORATION S.A.L., BEIRUT, SWISS BANK CORPORATION, BASLE. On or after January 12, 1984 interest on said notes will cease to accrue. The said notes should be presented and surrendered at the offices set forth in the preceding paragraph with coupon due July 12, 1984 and subsequent attached.

For PRIVREDNA BANKA ZAGREB
By BANK OF AMERICA INT'L SOCIETE ANONYME LUXEMBOURG
(Fiscal Agent and Principal Paying Agent)

Luxembourg, December 15, 1983

Meat prices get the chop in Greece

By Andriana Ierodiaconou in Athens

GREEK BUTCHERS are threatening to shut their shops next Monday for the whole of Christmas and New Year, unless the government backs down on plans to impose price cuts on imported veal and other meat from today.

The "Battle of the Veal Chop," as Greek newspapers have dubbed it, began at the weekend when plans to take a cleaver to meat traders' profit margins were announced by Mr George Moraitis, the Commerce Minister.

From today, Greek housewives will pay Dr 50 -Dr 90 (35p-63p) a kilo less for imported veal and beef, bringing the price down to a fixed Dr 300 (£2.13) a kilo. Greece imports about 90 per cent of its veal and beef needs.

Taverna customers will also pay less for pork dishes, provided according to a new pricing decree, they patronise an establishment which purchases live pigs directly from its menu.

According to Mr Moraitis, the price cuts, which have been imposed initially until the end of February, will be extended to lamb, poultry and fish.

He claimed that the price reductions had been agreed with meat retaliers, as well as importers and distributors. But this was belied by the reaction of the Greek National Butchers Federation.

State radio and television responded to reports of panic buying with soothing official assurance that there will be no shortage of meat.

Pro-government newspapers blamed the butchers' action on a conspiracy masterminded by the right-wing opposition. In a more lighthearted response, one cartoon showed the Three Wise Men standing next to a butcher's block with a sign reading: "Camel's meat—cheap today."

Soviet economy turns in best performance for several years

BY ANTHONY ROBINSON

THE SOVIET economy appears to have achieved its best performance in five years thanks to a combination of favourable harvest conditions, a highly publicised campaign against waste and corruption and a deliberate attempt to pinpoint and remove bottlenecks in key sectors like transport and energy supply.

As a result, Soviet industrial production statistics show a 4.1 per cent rise over the first 11 months of this year, well above the post-war low of 2.8 per cent registered in 1982 and also comfortably above the 3.2 per cent industrial growth target for 1983, the lowest growth target ever set.

Once again the gas industry appears to have been the star performer, pushing up output of natural gas by 7 per cent to 487bn cubic metres over the 11-month period. Oil output also continued to rise, albeit at the marginal rate of 0.8 per cent, to 565m tons.

The problems of the coal industry are continuing, however, with a further small drop in output after four years of stagnant or declining production. Output of many consumer goods also fell below target, as did several large agricultural equipment plants.

Favourable weather conditions, however, have helped produce the best harvest of grain and many other crops for five years.

The authorities stopped issuing official grain output figures two years ago because of embarrassingly bad harvests of around 160m tons in 1981 and 180m tons last year compared with the targets of 235m tons. This year, Western agricultural experts estimate a grain crop in excess of 200m tons, and confirm Soviet reports of the best grain, cotton, vegetable, fruit, potato, grape and tea crops since 1978.

Soviet output statistics usually provide an approximate indication of trend rather than an accurate account of economically useful production. Accounting methods underestimate the effects of inflation on output value. But the system also encourages officials to upgrade figures where possible, to ensure bonus payments, while a high proportion of production is either wasted, misdirected or of below-standard quality.

The extent of such wastage was revealed recently in the trade union newspaper Trud which reported that "raw and processed materials, equipment and parts worth billions of roubles are today stacked in the stores of industrial enterprises or lying about unwanted on construction sites... because ministries, when amending the tasks of enterprises, change only the production programmes."

Having changed enterprise production targets, planners then often fail to change the down-stream plans for material and technical supplies. As a result, Trud said, "railway wagons containing materials that are no longer needed continue to arrive and the goods delivered go into store."

Trud did not add that such deliveries, unwanted and frequently unguarded, are often subsequently stolen or bartered. They thus provide raw materials for the unofficial "black" economy whose vitality helps to make up for the over-estimation of the official growth figures.

David Barchard in Ankara describes the approach of the new civilian Government

Business, for Turkey, not as usual

NOW THAT he has finally become Prime Minister, five weeks after winning an absolute majority in Turkey's general elections, Mr Turgut Ozal and his Motherland Party can look forward to a honeymoon period for at least a few months.

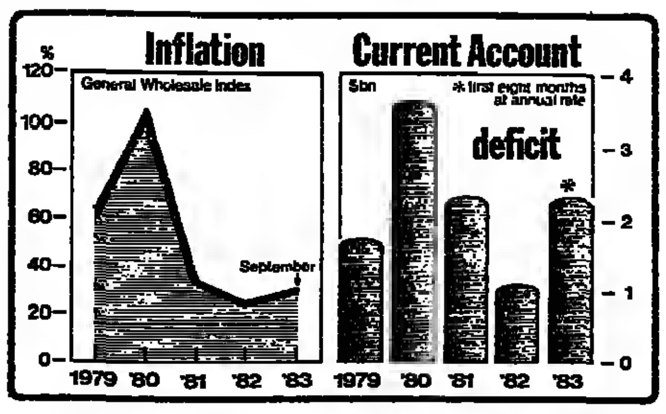
Though no one in Turkey says so openly, there is widespread relief that a civilian government is once more back in office. This relief has been heightened by the delay in handing over power to Mr Ozal, a delay which lasted considerably longer than the constitutional requirements to which it was attributed made necessary.

The mood of expectancy has not been tempered by the now-fading memories of the shock that Mr Ozal's 1980 austerity programme caused. Turks are aware that he achived a dramatic normalisation of daily life in a short space of time then and that he is now promising rapid expansion.

This is the first time Mr Ozal or any of his Ministers have been members of Parliament. No one is yet sure how cohesive his Motherland Party will prove to be. Its vote in the election shows that it relies very heavily on rural and conservative voters in the Asian part of the country. Mr Ozal's own background mixes years supporting the old parliamentary conservatives and one-time candidacy for the pro-Islamic National Salvation Party, now disbanded, as in that of some of his ministers, including Mr Husnu Dogan, his Agriculture Minister and former chief of the foreign investment department.

By some, however, the Motherland Party is seen as partly a continuation of the neo-Fascist Nationalistic Action Party at least in terms of the affiliation of some of its officials, if not in terms of their policies.

Certainly the party is a coalition of all the elements on the Turkish Right which oppose Mr Suleyman Demirel, the former Prime Minister. On Mr Ozal's immediate political calendar are the local elections which will be contested by Demirel followers and by Social Democrats banned in the November poll. His strategy seems to be to go to the voters again before his honeymoon period is over.



The Ozal Government is likely to provide the first occasion in which important secions of the Istanbul business community will have a major say in national affairs. Until now, captains of industry have been relegated to the political sidelines as Mr Demirel and Mr Bulent Ecevit battled for the votes of peasants, civil servants and small merchants.

Inevitably, therefore, Mr Ozal's programme is likely to aim at modernising the Turkish economy and its institutions to make possible rapid export-oriented growth. His plans, iconoclastic though they may seem to bureaucrats in Ankara, are what businessmen have been privately urging for years. Now, by a political fluke, they have a Government which will try to follow their prescriptions.

Mr Ozal's two chief priorities are likely to be bringing down inflation and improving Turkey's balance of payments performance. In the long run his aim is clearly to internationalise the economy and make Turkey into a major trading nation with its industries geared to exports rather than to the domestic market.

He takes over at a time when the economy looks less healthy than for some years. Inflation is pushing up again towards an annual rate of 40 per cent. The deficit on the current account of the balance of payments will be well over $1bn and bankrupt companies are lining up for state aid. The Turkish Gross National Product, which grew by 4.1 per cent last year, will grow by 3.1 per cent this year, well below target levels.

Mr Ozal has said that he will not prop up any more ailing groups, so some big bankruptcies must lie ahead, which will not bring political popularity. He will push up interest rates to encourage saving but hopes to be able to ease borrowing costs to business by cutting the transaction tax on bank loans. Borrowers are currently paying around 35 per cent interest on their loans with commissions and other charges pushing the actual cost to nearer 65 per cent.

He also plans a "dirty float" for the Turkish lira, under which there will be more convertibility than Turkey has known since the First World War. Banks will be allowed to set their own prices for foreign exchange within a permitted band and businessmen will find it easier to transfer money out of the country. The import regime will also probably be liberalised to allow in more consumer and luxury goods.

The major question, still unanswered, is whether Mr Ozal is contemplating a further austerity package in the New Year, perhaps including a swingeing devaluation of the lira. At present it seems that he is not, though an initial round of price increases and further rapid devaluation of the lira seems inevitable.

None of this is likely to prove popular at home, at least initially. For domestic support, Mr Ozal is planning schemes to encourage investment away from Istanbul, which has taken most private investment until very recently, to the remote regions. There may be schemes to promote foreign investment in Eastern Turkey, which remains far poorer than the West.

Mr Ozal: background in ultra-Islamic party

Bureaucratic restrictions will be cut to a minimum. "You need 15 different documents in Turkey to get a driving licence," he says. Tax rebates will be offered to salary earners, especially in the civil service. A Turkish civil servant in a fairly responsible position earns only between £100 and £150 a month, compared with at least £400 for a comparable job in the Istanbul private sector. This explains the gloomy and second-rate quality of the Ankara civil service.

Mr Ozal plans cheap housing schemes, but it is unclear what he will do with the agricultural sector. His voter base suggests that he should follow the Demirel Government's trend of giving farmers high support prices, but he seems more likely to phase them out and try and induce foreign and local capital into Turkish agriculture for export markets. Nor is he sanguine about his chances of bringing down unemployment, currently at about 20 per cent of the work force.

In many ways the new Prime Minister is in a beleaguered position. On the one hand, he has to contend with President Evren and the army who have handed over power only grudgingly and bequeathed him costly schemes such as the $4.2bn F-16 fighter project (expected to be formally signed this week) which will be a burden on the economy.

On the other hand, he has both Mr Demirel and the Social Democrats at his heels, pointing out that there are alternatives to Mr Ozal's discipline. Mr Ozal's best bet seems to lie in not trying to be too much of a politician and simply being frank with the public about the short-term costs and long-term benefits his policies can be expected to bring.

East Germany to lend an even bigger helping hand

BY LESLIE COLITT IN EAST BERLIN

EAST GERMANY is assuming an increasingly large role in the modernisation of the Soviet Union's underdeveloped agriculture and food processing and is to help improve its consumer goods production. Soviet economists have estimated that, in addition to other agricultural losses, nearly 20 per cent of the annual Soviet harvest is wasted for lack of food processing factories.

At a regular meeting in East Berlin of the joint Soviet-East German Government commission on economic and technical co-operation, East Germany has agreed to build cold storage facilities in the Soviet Union for potatoes, fruit and vegetables, and to modernise existing ones over the next six years.

It is to help the Soviet Union build refrigerated railway cars and is to erect repair centres for East German farm equipment. The East Germans are also to provide know-how to produce high-yield fodder plant seed and fodder harvest technology.

In the past two years, East Germany has signed 22 government agreements with Moscow to modernise Soviet consumer goods production, from home appliances to lamps. This has now been extended to include upholstery furniture. Moscow wants East Germany to increase its exports of consumer goods to the Soviet Union, whose officials argue that East German consumers are well supplied by comparison with deprived Soviet citizens.

East Germany has a growing deficit in trade with Moscow of Soviet oil and gas prices, which have risen far more rapidly than prices of East German machinery sold to the Soviet Union.

Tiny Communist Albania, meanwhile, which is at odds with both the Soviet Union and China, has accused Moscow of following a "typically capitalist policy of diktat and robbery" towards East Germany and the other Comecon members.

Radio Tirana, broadcasting in German, said Moscow buys machinery and equipment in East Germany, which is up to 30 per cent cheaper than on the world market. It said East Germany must often pay again in order to bring already-delivered Soviet machinery to the point where it operates.

Swiss party ponders coalition role

SWISS Social Democrats will discuss whether to remain in the four-party Government at an extraordinary party congress in February. The delegates may refer the question to a referendum among party members, writes John Wicks in Zurich.

The left wing has for long chafed under the restrictions imposed by participation in the Government. Matters came to the boil last week when the non-Socialist majority in Parliament refused to elect Dr Lilian Uchtenhagen, the Social Democrat candidate for a seat in the cabinet.

In her place, MPs picked a right-wing Social Democrat, Dr Otto Stich.

Police summon Walesa for questioning

By Christopher Bobinski in Warsaw

PLEADING A high fever, Mr Lech Walesa, the Solidarity leader, seemed likely to miss a summons to the Gdansk police headquarters for questioning early yesterday evening. The summons came two days before he is due to speak at the Gdansk shipyard monument which commemorates those who died in food price demonstrations in 1970.

Solidarity's underground leadership has also called for nationwide demonstrations on Friday to mark the second anniversary of the imposition of martial law and the consequent deaths in Solidarity demonstrations.

Mr Walesa's summons fits into a pattern of harassment which started last week when hundreds of uniformed police guarded Warsaw airport when Mrs Danuta Walesa flew to Oslo to receive her husband's Nobel Peace Prize.

On Tuesday, Mr Walesa's car was stopped 13 times and he and his party detained for two hours in Lodz on their way back from the national religious shrine in Czestochowa where Mr Walesa had presented his Nobel medal.

The authorities, meanwhile, have published "for consultation" the rules which will apply to local government elections expected next May. Parliamentary elections due at the same time are to be postponed because the Government fears a widespread boycott.

Alfonsin orders court martial of juntas

BY JIMMY BURNS IN BUENOS AIRES

IN THE boldest move ever takeo by an Argentine civilian leader against the country's armed forces, the new president Sr Raul Alfonsin has ordcred the court martial of the three military juntas whicb governed between the coup of 1976 and the end of the Falklands war io 1982 and requested parliament to repeal an amnesty law protecting all officers who committed human rigbts violations during this period.

The initiative was announced aftar Sr Alfonsin's cabinat had met for the first time to approve a package of seven laws aimed ot laying tha ground rules for a democratic state in the country.

The new legislation, dua to be debated by an "extraordinary" session of parliament today, includes a sweeping reform of Argentina's legal system which bas bitherto been controlled by the military in open violation of the country's 130 year old liberal constitution.

The newly elected congress, which has been racalled from summer recess, will consider making torture punishable by lifa imprisonment and will also introduce a recourse of babeas corpus for all civilians condemned by military courts.

However, in a mova apparently aimed at dampening military opposition, Sr Alfonsin named seven extreme Left-wing terrorist leaders including Sr Mario Firmenich, the exiled head of the Montonaros, the outlawed militaot faction of the Peronists, as subject to future trials if they carried through with their threat of returning to Argentina. Sr Alfonsin also said that his government favoured selective justice of a small number of military officers in addition to the juntas rather than sweeping trials.

Maasures aimed at curbing the powars of tha military bad been widely expected because of Sr Alfonsin's longstanding involvement with the buman rights issue and his outspoken criticism of the military during the election campaign.

The junta wbch ordered the invasion of the Falklands in April 1982, is already facing a separate court martial after tha results of an investigation into the conduct of the war were leaked to tha press last month with the apparent approval of Sr Alfonsin. One of the mambers of the junta whicb led the coup in Marcb 1976, Admiral Emilio Massera, is also already awaiting trial in connection with the alleged murder of his mistress's husband.

Nevertheless, many Argentines yesterday ware surprised by the speed witb whicb tha new Government bas acted and by the potential scope and scale of the new legislation.

Making his announcement in a nationwida broadcast late on Tuesday night, Sr Alfonsin said he was acting to ensure tha stability of his government and the return of the rule of law following eigbt years of military rule, whicb had led to the "disappearanca" of an estimated 15,000 Argantines.

Three generals, three admirals and three air force brigadiers, including three of the military regime's four presidents—Genaral Jorge Videla General Roberto Viola, and General Leopoldo Galtieri—bave been charged by the civilian government with responsibility for "murder, illagal arrest and torture."

In spite of the expected opposition of soma officers linked to the previous regime, the naw civilian government is confident that it has the necessary support among the civilian population as well as from within the armed forces to pusb ahead with its controversial initiative.

Tuesday night's announcement coincides with the appointment of a "professional" with nautral political views, General Julio Fernandez Torres, to the key post of head of the joint chiefs of staff, the most seoior military post after the president and the civilian minister of defence according to the new command structure drawn up by the Radicals following the dissolution of the junta.

Alfonsin . . . acting to ensure stability

IDA stake reallocation proposal

By David Marsh in Paris

A PLAN by leading member nations of the World Bank to set up a "parallel fund" to increase the resources of the International Development Association, the Bank's soft-loan affiliate, is likaly to be discussed at a four-country meeting at the French Finance Ministry in Paris today.

The gathering, linking Japan, West Germany, Britain and France, has been arranged mainly to discuss the Tokyo Government's plan to become tha second largest member of the World Bank after tha U.S. by increasing its capital stake and voting power in the international devalopment institution.

Japan, whosa formal stake is just over 5 per cent, wants to leapfrog Britain, traditionally the second member of the World Bank, France, and Germany in recognition of its position as the second largest economy in tha capitalist world.

The other countries involved have agreed in principla to the reshuffling of stakes—to be carried out by a selective capital increase of tha Bank, subscribed by Tokyo. Today's meeting will focus on the precise sizes of tha top five stakes aftar tha share juggling.

At the sama time, the question will probably be raised of an additional affort by donor nations to increase contributions to IDA. Thia follows the U.S. refusal at a Paris meeting last weekend to reconsider its plan for a sbarp cut in its IDA grant over the next three years.

Reagan to announce candidacy decision on January 29

WASHINGTON — President Raagan will announce whether be will seek re-election in a speech from the White House on January 29, Mr Larry Speakes, the Presidential spokesman, said yesterday.

Although Presidential advisers insist Mr Raagan bas not promised ontright that he will seek a second four-year term in 1984, Mr Speakes said: "I would be willing to put big money" on bets that the President will indeed declare his candidacy.

"He will make a speech in the Oval Office on January 29, at which time he will announce a decision," Mr Speakes said.

President Reagan authorised an official re-election committee in October, a step that made him a candidate in the eyes of tha law even thougb be insisted he was reserving his own decision.

Republican Senator Paul Laxalt of Nevada, who beads the re-election group, said that if Mr Reagan announced he was not running "it would be the greatest national political shock of all tima, at least to the Repoblican Party."

Mr Reagan, tha oldest American to serve as president, will be 73 on February 6. His doctor says ba is fit, and Whita House officials say he is well able to bandle an arduous campaign.

He will make his speech fnur days after delivering to Congress his annual State of Union message, which will ontline bis legislative goals for 1984 and could serve as a manifesto for his personal re-election appeal to the public.

In keeping the public guessing about his plans, Mr Reagan bas said an aarly statement of candidacy would leave him open to charges he was playing politics in the White House, while one announcing he meant to retire would maka him a "lame duck."

His controversial economic policies during the 1981-83 business recession led to a drop in his popularity in opinion poll ratings. But his standings bave improved sharply with the recovery and a national-unity mood created by the invasion of Grenada and the attacks on U.S. marines in Lebanon.

Officials said a survey conducted by Rapublican Party pollster Mr Richard Wirthlin showed that the President's popularity rating now stood at 62 per cent.

Mr Walter Mondale, former Vice-President, holds a commanding lead in polls, party support and money in the opposition Democratic Party's Presidential nomination race. Senator John Glenn of Ohio is rated his closest competitor for primary elections that begin late next February.

Reuter

Talks on Argentina debt deferral

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA's LEADING creditor banks will meet in New York today to decide on a request from the country's new Radical government, for a 90-day repayment moratorium, on about $8bn of foreign debt.

The request, announced in Buenos Aires on Tuesday night by Sr Bernardo Grinspun, the new Argentine economy minister followed a series of secret talks over the weekend with Mr Timothy McNamar, deputy secretary of the U.S. Treasury, and local representatives of tha leading foreign banks.

Sr Grinspun said he bad asked foreign banks to defer today's deadlina for the signature of rescheduling agreements worth about $6bn with about 30 public sector agencies. A further $2bn was the surprise figure put on 1983 arrears by Sr Grinspun, although be did not specify whether this referred to principal or interest or both. Previously, foreign bankers bad suggested that Argentina bad paid its arrears up to the first week of October.

According to Sr Grinspun, the moratorium had been requested so as to give the new Argentine authorities more time to work out rescheduling arrangements on the country's $40bn foreign debt compatible with his 1984 target and medium-term economic strategy.

Banking sources in Buanos Aires suggested that the moratorium was not a unilateral decisinn. It is understood that U.S. banks have been asked by the U.S. administration to be flexible as a gesture of goodwill towards tha new democratic authorities. A sign of their trust in Sr Grinspun's public pledges that his government will eventually bonour all its debt obligations.

Before laaving Buenos Aires on Tuesday, Mr McNamar said that be was convinced that the new Argentine Government was determined to formulata an economic programma which "without a doubt will be satisfactory for the International Monetary Fund." He added that in his view, Argentina bad all tha necessary resources for an early economic recovery, helped by an extended facility with the IMF

Argentina has apparently reassured its creditors that it will use inflows from ber grain exports in the first quarter of 1984 to maintain interest falling due as from January 1 up to date. It will also work closely with foreign creditors in arranging a major rescheduling package on some $14bn of principal also falling due next year.

Significantly, the Argentine Government has let it be known that it will be sending a leading official to Washington later this month for further talks with the IMF on a three-year standby arrangement to replace the current agreement signed last January and whicb expires at the end of March. The official, Sr Ubaldo Aguirre, is now acting as an adviser to Sr Grinspun, after enjoying high standing among foreign banks as a key nagotiator on the foreign debt under the outgoing military government.

Sr Aguirre is believed to have ensured informal contacts between the radical team and Argentina's foreign creditors in the transition between the elections on October 30 and the swearing in of Sr Alfonsin

Foreign bankers had originally boped to sign the outstanding public sector contract with the outgoing military authorities. But in recent weeks they bad reluctantly accepted that a growing administrative paralysis caused by the imminent bandover of power would make it very hard for Argentina to complete its arrangements as planned on December 15.

Mid-east trip boosts Brazil loan hopes

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRAZIL is confident that it bas persuaded reluctant banks io tba Middle East to subscribe to the $6.5bn loan it is raising from its international bank creditors, Prof Antonio Delfim Netto, Planning Minister said in London yesterday.

Middle East banks bave been holding out against tha loan, resulting in a shortfall of some $90m in contributions from the region and adding to fears that the loan will not be ready for disbursement on schedule before the end of the year.

Speaking in London on bis way back from a trip to the Middle East, Prof Dalfim Netto said be now expects contributions from Middle East banks to start flowing again. "We are making every affort to finish this operation before the end of the yaar so that we can start 1984 with a clean slate," he said.

It is understood that banks in Kuwait bave proved the most resistant to the loan, to which total subscriptions now stand at more than $6.2bn. Brazil's bankers intend to continue to press for subscriptions and a final decision on disbursement does not need to be taken till aftar Christmas.

Prof Delfim Natto said thare was now no doubt that Brazil would meet its target of reducing its budget deficit to 2.7 per cent of gross domestic product this year. The deficit is being monitored closely under arrangements set up by the Intarnational Monetary Fund which allow for any deviations to be speedily detectad and corrected.

Brazilian officials say that the deficit is regardad as a much more important target for the IMF than the rate of inflation which now stands at about 210 per cent a year. It bas accelerated in 1983 partly because of the maxi-devaluation of the cruziero in the spring and partly because of the effect of bad weather on agricultural production.

Although inflation should drop next year, Brazilian officials do oot expect the IMF to be too worried if Brazil fails to meet its target of reducing price rises to 2.5 per cent a month as long as the basic target for the budget deficit is met.

Chile denies plan for devaluation

CHILEAN economy minister Andres Passicot has denied rumours of an impending devaluation. Ha defended Chila's current exchange rate system, which provides fnr a sliding devaluation in accordance with inflation and noted that it had allowed Chila to accumulate a trade surplus of nearly $1bn during the first 11 months of this year, Mary Helen Spooner writes from Santiago.

The Chile peso's official bank rate is currently bovering around 87 to the dollar, while the legal parallel market rate has risen to as mnch as 105 pesos as rumours of a devaluation circulate. Normally, the parallel market rate runs about 10 pesos bigher than the official rate.

$ loses favour as peg for exchange rates

THERE has been a sbarp dacline in the use of the dollar as the unit of account against which countries peg their exchange rates over tha past decade, William Hall writes from Naw York.

In 1974 61 ont of 98 countries surveyed in a paper published today pegged their currencies to tha dollar. Their imports accounted for 72 per cent of the total imports of the 98 countries surveyed. During the following seven years, 33 comparatively large countries "defected" from the group of "dollar peggers" and their place was partly taken by nine comparatively small countries, according to tha report on the role of the dollar as an international currency by Professor Peter Kenen of Princeton University.

The paper is published today by the Gronp of 30, an influential group of central bankers, private bankers and academics that investigates current issues in international finance.

Professor Kenen notes that none of the "defectors" adopted anothar national currency for pegging. Most of the defectors decided to peg their currencies against baskets of other currencies rather than rely solely on the dollar.

Japan's ruling party heading for majority, opinion polls show

BY JUREK MARTIN IN TOKYO

THE RULING Liberal Democratic Party apears assured of winning an overall majority of seats in the Japanese Lower House in Sunday's general alection. It may not do well enough, bowever, to maka inevitable reconfirmation of Mr Yasuhiro Nakasona as Prime Minister, according to the latest public opinion polls.

The most optimistic for Mr Nakasone was that published by the Yomiuri newspaper, which tends to support him in any case. It predicts that the LDP will win 274 seats (284 in the old Diat), against 108 for the Socialists (101), 57 for Komeito (33), 32 for the Democratic Socialists (also 32) and 19 for the Communists (29).

The Mainichi newspaper is less sanguine, projecting 260 for the LDP, JSP 111, Komeito 53 and tha DSP and Communists 32 apiece. Jiji Press forecasts LDP 266, JSP 109, Komeito 56, DSP 33 and Communists 24.

If tha LDP can score 270 seats, assuring itsalf of absolute control over and the chairmanship of all the 18 standing parliamentary committees, tben Mr Nakasone, as its leader, will ba in political clover. Much less than that, as saveral LDP leaders have recently intimated, and ba may have an intra-party fight on bis hands.

If Mr Nakasone is worried, then he did not show it in a full day of campaigning in Tokyo and two outlying cities on Tuesday. Indaed, the Prime Minister demonstrated again that be is a smooth pnblic performar, with a well-honed political patter that artfully mixes statasmanship and folksiness with a splce of good old-fashioned "red scare" invective.

If, he argues, the "reformists" maka big gains and the conservatives big losses, then the balance of power will lie with the Commnnists; and this, in turn, would mean a collapse of Japanese credibility, a run on tha yen, and, hitting tha public wbere it really hurts, a sharp increase in the price of petrol.

Another prime pitch is for educational reform, which is mostly aimed at women, who otherwise bave been given short shrift in this, and previous, alection campaigns, but wbo normally are responsible for children's education.

Mr Nakasone criticises Japanese universities for being lika Tokyo Disnayland ("bard to get into but easy to get out of") and goes on to call for the teaching of English in alamentary schools (sometimes ha even breaks into a song in English at this point), mora devalopment of tha individnal personality and less of the examination grind.

Japanese companies see better business climate

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

BUSINESS confidence among major Japanese companies has improved sharply during the past three months, according to a survey conducted by the Bank of Japan. Howaver, the number of companies who feel they are in a recession still exceeds those wbo see conditions as "good."

The Central Bank's survey of 352 large manufacturing companies reveals a 17 per cent majority in favour of the view that conditions are difficult compared with 29 per cent in August and 35 per cent a year ago when the economy touched bottom.

In tha non-manufacturing sectors wbere BOJ surveyed 169 major companics the pessimists exceeded optimists by 8 per cent as compared with 12 per cent at tha deepest stage of the recession.

The survey indicates that by Marcb "pessimists" will exceed "optimists" by a mere 3 per cent and 6 per cent in manufacturing and non-manufacturing.

Confidence has improved in most major sectors of the economy except shipping and shipbuilding. Export oriented industries such as cars and electronics now include a majority of respondants wbo see conditions as "good." The widest margin of yes against no came from the precision macbinery industry.

'No early upturn' for Zimbabwe economy

By Tony Hawkins in Harare

ZIMBABWE industrialists—with the notable and important exception of exporters—see few grounds for an upturn in the first half of 1984, according to the University of Zimbabwe's half-yearly business opinion survey published today.

The survey says that while industrialists appear to be "fractionally" more optimistic than six months ago, half the sample of 106 manufacturers are forecasting lower output and sales in the first six months of 1984.

An important exception, the survey says, is the expectation of improved exports. Some 34 per cent of respondents say that exports rose in the last six months and a further 27 per cent are forecasting higher exports in 1984.

The survey attribntes this pick-np to the 30 per cent depreciation of the Zimbabwe dollar in the past year, the re-establishment of the Government's export incentive scheme, the World Bank's revolving fund of foreign currency for exporters and the depressed domestic market.

Weak domestic market is now a greater constraint on output than the level of foreign currency allocations which in the past restricted prodnction due to the lack of imported inputs, the survey finds.

More than three-qnartars of industrialists are nperating below capacity and few have any plans to expand employment.

The survey fnrecasts a further decline in profit margins. It concindes that the most likely scenario is a further gentle decline in prodnction in the first six months of 1984 with the possibility of a "modest recovery" towards the end of the year provided there are good rains over the next few months and provided the International econnmic recovery remains on course.

The survey warns, however, that the new farming season has not started well and fears that thr agricultnral stimnlus both to exports and domestic demand might well turn ont to be disappointing.

Kuwait bombings highlight Gulf political and religious minefield

Emirates tread a delicate path

BY STEPHANIE GRAY, RECENTLY IN ABU DHABI

FEW WOULD have given much for the chances of survival of the federation of seven rival Bedouin Sheikhdoms which became the United Arab Emirates in 1971. They would have had even less hope for its prospects of stability when its oil wealth swamped the tiny local population with foreign workers, mostly imported from the Middle East'a bot spots, who now number 800,000.

This week's bomb explosions in Kuwait have highlighted the delicate path the Emirates have had to tread between thair warring neighbours. Tha federation gives generous support—$500m last year—to the Iraqi war effort against Iran but also bas traditional bistorical ties with Tehran mainly through its 20,000 Persian traders.

It is—understandably wary of the link, especially since one effect of an outnumbered local population has been a further retreat into religious conservatism. But the rulers of the UAE feel that tha bloodsbed and chaos within Iran bave caused the revolution to lose much of the appeal it originally had for young religious and radical elements in their states.

The Emirates contain the ingredients for any number of tribal feuds. Palestinians run the local Press and pump out a stream of vitriolic anti - American propaganda. Egyptians, many of them Islamic fundamentalists, make up tha teaching force. Iranians, owing allagiance to Ayatollah Khomeini's Shi'ite regime, comprise a large part of the Dubai trading community, and a substantial minority of the local population are also Shi'ites.

Diplomats in the UAE believe that Abu Dhabi could be trying to smooth its way to a return of the traditional friendship with Iran by giving financial aid, partly aimed at resurrecting trade with the Emirates' only mass market.

The federation has been disturbed by violence only with several shootings and bombings in the late 1970s.

The country's relatively tranquil experience in the Arab world is complicated however by its friendship with the U.S. This is a relationship it prefers not to shout about and there was considerable official embarrassmeot recently when Iranian threats to close the Strait of Hormuz were at their pitch, and two U.S. aircraft carriers were anchored off the coast.

Tha UAE is more vociferous about its support for the Gulf Co-operation Council, of which it is a founding member. The council was set up in 1981 in an effort to consolidate security and prevent the Gulf from becoming a focus of rivalry between the U.S. and the Soviet Union. An indication of tha GCC's political coming-of-aga emerged when it despatched a delegation from its annual summit last month to try to set up a ceasefire in the fighting between rival Palestinian groups in the north Lebanese city of Tripoli.

Sheik Zayed, the UAE President, bad much to do with tha mission's success and his ability to keep bis country stable bas been largely due to the generosity with which tha expatriate majority hava been treated. While they have been denied ownership of land and any possibility of UAE citizenship, they have enjoyed good wages and all tha benefits of what must be one of the world's most comprehensive welfare states.

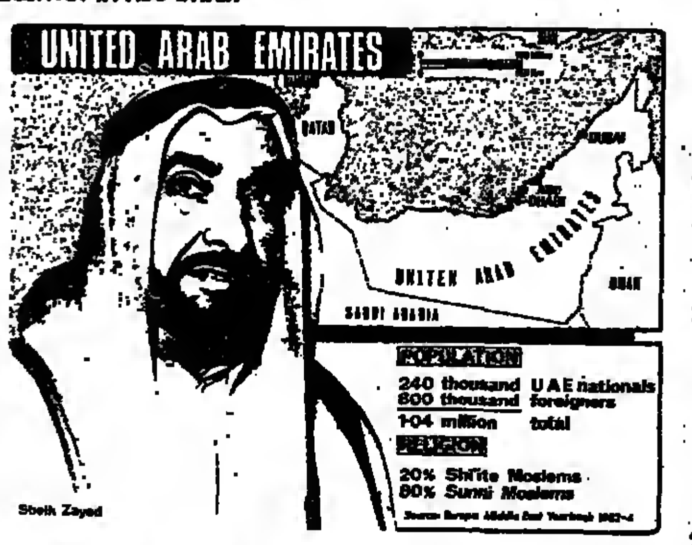
Nevertheless, the wishes of a small local population that is both newly wealthy and increasingly nationalistic were always likely to surface. Sharply reduced oil revenues and cuts in Government spending have speeded the process.

Local inhabitants are being nudged towards tightening their belts and every effort is being made to persuade foreigners to leave.

Now and then purgas are mounted, marked by unashamedly racist outbursts in the Press, roadblocks, identity checks and mass deportation of those described as illegal immigrants.

Many Arabs are fearful of returning to their bome countries and thousands of Palestinians have only invalid Lebanase travel documents, limiting their freedom of movament. Their problems have been complicated by tha introduction this year of the controversial "six-months law," which forbids any foreign worker to change jobs without first spending six months outside the country. The initial impact of the law was to create hordes of illegal aliens overnight.

Tha fear of losing jobs and/or expulsion goes some way to explain why the UAE has remained relatively free of extremist agitation, and can remain reasonably confident of withstanding future shocks to the region.



Sheik Zayed

Retaliation raids by Iraq

By Our Middle East Staff

IRAQ said yesterday it had used its air force and ground-to-ground missiles to attack five Iranian cities in retaliation for Monday's bomb attacks in Kuwait.

A military spokesman did not specify which towns had been hit, but the attacks form part of a regular series of Iraqi attacks on targets in the west of Iran.

Iraq was the first Arab country to accuse Iran of responsibility for the six bombs in Kuwait which killed six people and wounded another 60. Kuwait has been one of Iraq's most important supply routes since the Gulf War started in September, 1980, and bas also contributed at least $6bn (£4.2bn) in financial support.

The Iranian national news agency admitted later that the towns of Dezful, Andimeshk and Behbehan bad each been hit by a single missile yesterday afternoon bnt gave no details of damaga or casualties.

Iran has bitterly denounced Iraq for its apparently indiscriminate use of Soviet-supplied Scud missiles which it says have been aimed principally at civilian targets, incindlng schools.

Iraq has pledged to use all the weapons in its arsenal to strike at Iran if the regime in Tehran continues to launch cross-border assaults. In the latest Iranian offensive a month ago, Iraqi troops were forced to concede at laast 200 square miles of mountainous territory around the town of Jenjwin in the northern part of the battlefield.

Philippines suffers further fall in foreign investment

BY CHRIS SHERWELL IN MANILA

INCREASED foreign investor concern over economic prospects in the Philippioes was indicated yesterday in figures sbowing a sharp fall in new foreign investmentin October.

The trend coincides with an arosion of confidence on the part of foreign banks following the assassination of the popular opposition leader Mr Begnigno Aquino in August.

It also comes at the same time as the Government, short of foreign exchange, is keen to encourage foreign investment.

Tha latest figures, published by the Securities and Exchange Commission, show that foreign investment inflow io October amounted to P16.4m (£830,000), compared to P72.6m in September and P44.9m in August.

But figures for divestments by foreign companies, also published yesterday, show a marked impact as a result of the conclusion last montb of oil operations in the Philippines by Shell Exploration.

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Tehran 'will abide by oil quota'

IRAN will not produce more oil than its quota of 2.4m barrels per day agreed with the organisation of Petroleum Exporting Countries despite previous hints that it would, Mr Mohammad Gharazi, its Oil Minister, said yesterday. Reuter reports from Tehran.

"We sball at present refrain from producing more than 2.4m b/d," he told a news conference after returning from Opec's recent meeting in Geneva.

Before going to Ganeva Mr Gharazi acused Saudi Arabia of producing far more than it had agreed and said this made it difficult for Iran to accept the present limit on its output.

But Mr Gharazi said yesterday: "We still consider ourselves obliged to stick by Opec and to carry out its commitments. Even if certain people act against the solidarity of Opec, we shall make efforts to keep Opec in a strong international position."

Meanwhile, Iran has blocked all but six of its oil wells in tha offshore Nowruz and Ardeshir fields in the Gulf with cement, virtually eliminating the risk of oil pollution in case of future Iraqi attacks on tha wells, the World Wildlife Fund, said yesterday. Reutar adds from Gland, Switzerland.

Some 75 wells in the Nowruz field and all the wells in the nearby Ardeshir field have been blocked down to the seabed, the WWF said.

All these wells will evantually have to be re-drilled to be put back into production, the Swiss-based environmental body said.

According to the WWF, an oil slick from the Nowruz field, damaged by Iraq, has wiped out almost the entire population of a rare mammal, the dugong, as well as almost all sea snakes in the Gulf.

Wells on two platforms in the Nowruz field are still burning after being hit by Iraqi missiles in March, it said.

EEC-China textile negotiations reach deadlock

BY PAUL CHEESERIGHT IN BRUSSELS AND ANTHONY MORETON IN LONDON

THREE WEEKS of tough talks in Brussels have failed to settle the level at which China may sell textiles and clothes to the European Community over the next five years.

They will start again in February, probably in Peking.

The breakdown came just two days before China submits its application to join the Multi-fibre Arrangement, the world agreement which governs much of world trade in these products, is to be discussed at Gatt in Geneva today.

Under the terms of the present agreement between China and the EEC, which dates from 1979, trade between the two can continue at a slightly higher level than in 1983.

This will be nowhere near what the Chinese have been seeking. In highly sensitive areas, such as cotton yarn, spun synthetic fabrics, knitted shirts, sweaters and trousers, China wanted to send another 20 per cent to the Community. The EEC has countered that the rise should be around 1 per cent.

The Chinese have refused to move their negotiating position and so a deadlock was inevitably reached.

Mr Ian MacArthur, director of the British Textile Confederation, pointed out in London yesterday that this did not necessarily mean a complete breakdown in the negotiations.

"There were several breakdowns in the negotiations between the U.S. and China earlier this year but agreement was reached in the end.

"But if the talks are to succeed it is essential for China to recognise that the EEC is already the largest market in the developed world for the textile and clothing exports of the developing countries.

"*There is a limit* to our ability to absorb ever-increasing quantities of their goods. The EEC offer to China allows for considerable growth in her access to the Community and we cannot go further than this."

One of the major worries of the European industries is that Chinese imports have increased dramatically over the life of the present agreement.

A rise of 150 per cent has seen China move into second place as a supplier to Europe. Imports last year reached \$443.6m (£312.4m at \$1.42-£1) and in the first half of this year they totalled \$360.8m (£254m).

Sharjah fertiliser deal

BY PAUL BETTS IN PARIS

CDF Chimie, the chemicals offshoot of Charbonnages de France, the French coal board, is expected to sign a major joint venture agreement with the Sharjah Economic Development Corporation (SEDC) in the first quarter of next year to build a fertiliser complex valued at nearly \$300m (£208m) in the Arab Emirate.

The plant is due to have a capacity of 1,350 tonnes a day of ammonia and 1,750 tonnes a day of urea. It will be fed with gas produced in the gulf state.

The SEDC is expected to own 70 per cent of the fertiliser venture with CDF Chimie owning the other 30 per cent.

David Lennon reports on Israeli misgivings over commercial ties since Camp David

Why Israel-Egypt trade has failed to develop

THE LOW LEVEL of trade between Israel and Egypt is a sore point in Jerusalem, which had hoped that by now the 1979 peace treaty would have been cemented by lively commercial relations.

The only significant trade development has been the sale by Egypt to Israel of some \$600m worth of oil a year. Israel did manage to build up its sales to Egypt to \$25m in 1982, but this trade has fallen sharply to \$6.9m in the first ten months of this year, because of Egyptian objections to the Israeli invasion of Lebanon.

"We missed a great opportunity, because we should have insisted on having reciprocal trade arrangements — namely, that we pay for the oil in goods and services and—not with dollars," says Prof. Seev Hirsch, co-author of a recently published book, The Economics of Peacemaking.

The lack of development in trading relations has led to a growing distrust in Israel of Egypt's commitment to peace. This does not surprise Prof. Hirsch, who is professor of international trade at Tel Aviv University. "If economic relations are not handled properly they can actually destabilise peace, even though that is not the intention."

Prof Hirsch, whose book uses the Egypt-Israel situation to illustrate his much broader study, believes that "If you give economic relations the right weight in your political thinking, you can use them to stabilise peace and to achieve political goals. It is for this reason that you must plan economic relations and even individual transactions to enhance peace."

Noting that "the whole world is infatuated with the Arab-Israel conflict because of the importance of the Middle East as a source of raw materials," he points out that in fact "there is nothing which can be remotely regarded as economic" lying at the root of the Arab-Israel conflict.

But economic ties can enhance the peacemaking process. In his opinion, if Israel had insisted on a barter deal for the Egyptian oil "and I think the Egyptians would have accepted that," then in that case "we would have a trade of \$1bn by now."

The lack of trade development has led to a growing distrust in Israel of Egypt's commitment to peace

The talk of a Middle East economic community, fashionable at the time of the peace treaty, is dismissed as unrealistic by Prof Hirsch. Even if the Palestinian problem is resolved and there is peace in the region it would still be many years before such an arrangement could be possible.

The book's authors believe Israel could be exporting meat, wood products, transport equipment, machinery, plastic materials and organic chemicals to Egypt.

In practice the largest single item of exports to Egypt in 1982 was animal feeds, to the value of \$15m. Day-old chicks, hatching eggs and other poultry items accounted for another \$7m.

Egyptian exports to Israel, apart from oil, are insignificant, not even reaching the \$1m figure last year. This despite the book's estimate that Egypt could be selling Israel fish, sugar, clothing, cotton and textile fibres.

Despite the potential, trade has failed to develop mainly for political reasons, and Prof Hirsch sees this as the result of the "dissonance between the Israeli and the Egyptian perceptions of the peace agreement.

"From our point of view peace meant giving up territory, giving up our strategic assets. We want to replace these assets by real content, trade and normal relations," he notes. "The Egyptians took the opposite view. They say they got back Sinai which is theirs and gave Israel the one thing it really wanted, which was recognition."

In return for that recognition, Egypt demands progress on the Palestinian issue. As long as Israel does not give that, then Egypt says it will not give Israel the contents of the peace pact in the form of developing the trade links which Prof Hirsch believes could enhance the peace process.

The Economics of Peacemaking, by Ruth Arad, Seev Hirsch and Alfred Tovias. Published for the Trade Policy Research Centre, London, by Macmillan, 1983.

Irish find a ready market in Iran

By Brendan Keenan in Dublin

IRISH EXPORTS to Iran have bounced back after being almost wiped out during the political disturbances of 1979-81. They are expected to top I£40m (£31.6m) this year, which is more than the levels of the late 1970s.

The Irish decided to re-enter the Iranian market in 1982, when 20 Irish companies exhibited at a Tehran trade fair. This was followed by a visit from the Irish Agriculture Minister. The results exceeded most expectations. Exports subsequently boomed from only I£4.3m to this year's tenfold increase. Officials of the Irish Export Board, CTT, believe the results can be sustained and that there is room for expansion.

The main exports this year have been commodities, principally beef and butter, but the figures were boosted by the sale of I£4m worth of refrigeration equipment. CTT believes that food sales can increase still further above this year's level.

Iran's difficulties have meant that it has not been able to resume its traditional sales to Ireland, which were principally oil. In 1980, Irish imports from Iran were almost I£40m, leaving Ireland with a I£27m trade deficit. This year Iran's sales to Ireland are expected to be worth just I£57,000.

Ireland's neutral politics have helped her maintain steady sales to both Iran and Iraq, despite the Gulf War. Salesmen do tread carefully at times, however. It seems that the dead IRA hunger-striker, Bobby Sands, is something of a hero in revolutionary Iran and his name is often mentioned in glowing terms. CTT officials, who have a fair idea of what the Irish Government thinks of Mr Sands, just smile bravely and think of the balance of payments.

Brazil halts issue of import permits

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN foreign trade authority has halted the issue of virtually all import permits until the end of the year. The new controls came into force on Monday.

Behind the surprise move lay a rush by Brazilian companies to secure permits before tougher global restrictions on imports are imposed, in 1984. Individual companies' import ceilings next year will be based on the actual figures they recorded in 1983—and will then be reduced further by monthly quotas.

Sr Carlos Viacava, the head of Cacex, the foreign trade department, said on Tuesday that the suspension of import permits was aimed at reducing pressure from importers at this time. It would also give the athority a breathing space to examine companies' import proposals for 1984.

A probable further factor is that for Brazil's trade balance the first quarter of the year is traditionally a poor one. Exports are at a seasonal low, while imports remain high.

The temporary squeeze on already highly restricted imports will show up in the trade statistics only in January and February. It will thus have the effect of producing better-than-normal figures during what is expected to be a critical few months internationally for Brazil.

China to buy Grundig TV kits

By John Davies in Frankfurt

GRUNDIG, the West German consumer electronics concern, has won a contract to supply the basic kits for 40,000 colour television sets to China by May next year.

The Chinese will manufacture the cabinets for the TV sets and carry out the final assembly work.

The deal is relatively small—worth something over DM 18m (£4.56m)—but Grundig said yesterday that it attached considerable importance to it.

This is the first time that Grundig has reached an agreement with the Chinese for assembly equipment. The company was convinced it was laying the foundation for constructive co-operation with the Chinese.

Port of Hamburg suffers sharp fall in shipments

BY LESLIE COLITT IN BERLIN

THE PORT of Hamburg has experienced its most difficult year since the early post-war period. Transshipments fell 18 per cent to an estimated 51m tonnes this year, which was the level in 1973.

The worst losses have been in bulk shipments, which fell 28 per cent to 31.2m tonnes. The president of the shipping company in the port, Herr Helmuth Kern, said there had been a considerable fall in profits, which meant a number of companies would end up in the red.

Grain, fodder and oil-seed imports fell 34 per cent to 7.9m tonnes. Reduced purchases by the Soviet Union of U.S. grain, as well as the loss of an oil-seed mill in the port and high prices for fodder, were all negative factors.

Liquid shipments fell 29 per cent to 14.1m tonnes, largely as a result of a two-thirds reduction in crude oil deliveries. The prime reason was the continued drop in oil consumption, along with the new Wilhelmshaven-Hamburg pipeline, permitting refineries to be directly supplied from tankers.

Ore and coal imports fell 21 per cent to 9.2m tonnes, as a result of the depressed state of the European steel industry, which meant one-third less iron ore was imported.

New aircraft designs boost morale at Fokker

BY WALTER ELLIS IN AMSTERDAM

FOKKER, THE Dutch aerospace group, enters 1984 with hopes higher than for several years. What bears these hopes aloft in spite of the downwards pressure of falling demand for existing aircraft is the arrival at last of two new designs.

The recently announced F-50 and F-100 aircraft, intended as successors ultimately to the highly successful F-27 and F-28, mark the end of a long period of introspection at Fokker, when its role as a partner/competitor to Boeing, British Aerospace, Airbus Industrie, and McDonnell - Douglas was in great doubt.

The collapse in 1981 of ambitious plans for a joint project with McDonnell Douglas threw the Dutch aircraft maker into a kind of torpor from which it has only this year emerged.

Sales of nearly 60 F-27s and more than 200 F-28s have been a signal of Fokker's ability to compete. But the market, seeking something new, has forced Fokker to button down and work hard within its limited resources to come up with an answer.

Rather than coming up with something radically new—and prohibitively expensive—it has decided to rebuild the F-27 and the F-28 from the bottom up. The ensuing aircraft undoubtedly will be highly advanced, especially in terms of engineering and composite construction, but they will be the progeny of known parents.

It is unlikely that this will make a difference, for with the number of improvements made, the F-50 and the F-100 will be genuine enhancements of the Fokker range and are likely to sell in substantial numbers for years to come.

For Rolls-Royce, too, the decision is good. The British state-owned company's Tay engine has been selected for the F-100, and an initial order for 100 engines was placed last month, worth £200m over the next 10 years, including spares and other support costs. If the new aircraft sells anything like as well as the F-28, deliveries of which now exceed 210, Rolls-Royce can expect to see its order from Fokker quadrupled.

If Short Brothers of Belfast, builders of wings for the F-28, are given the contract for the F-100 wings, Northern Ireland will be a third beneficiary.

The F-100 is designed to seat up to 107 passengers, compared with a maximum of 85 carried by the F-28. It is thus midway between its linear predecessor and the aborted F-29 that would have come out of the link with McDonnell-Douglas.

The smaller F-50 — styled somewhat jauntily as "the prop-jet the airlines have been asking for" — will be a 50-seater, the same as the F-27. Its main distinguishing feature will be the six-bladed Dowty rotol twin propellers by Pratt and Whitney of the U.S., which represent state-of-the-art engine technology.

As with the present, updated versions of the Friendship and Fellowship models, the new aircraft will incorporate advanced composite materials, many developed by Fokker itself. Both should be quiet and economical, and rather more spacious than their forebears.

Main competition for the F-100 is likely to be British Aerospace's four-engined "regional jet," the BAe-146, which in its Series Two version also carries 109. Fokker and British Aerospace last year were at daggers drawn over the respective merits of the established F-28 and the new 146. This battle will be joined again in earnest when the first F-100 enters service, probably in the spring of 1987.

BASE LENDING RATES

A.B.N. Bank	9 %	Heritable & Gen. Trust	9 %
Allied Irish Bank	9 %	■ Hill Samuel §	9 %
Amro Bank	9 %	C. Hoare & Co. †	9 %
Henry Ansbacher	9 %	Hongkong & Shanghai	9 %
Arbuthnot Latham	9 %	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	9 %	Knowsley & Co. Ltd.	9½%
Associates Cap. Corp.	9½%	Lloyds Bank	9 %
Banco de Bilbao	9 %	Mallinhall Limited	9 %
Bank Hapoalim BM	9 %	Edward Manson & Co.	10 %
BCCI	9 %	Meghraj and Sons Ltd.	9 %
Bank of Ireland	9 %	Midland Bank	9 %
Bank Leumi (UK) plc	9 %	■ Morgan Grenfell	9 %
Bank of Cyprus	9 %	National Bk. of Kuwait	9 %
Bank of Scotland Π	9 %	National Girobank	9 %
Banque Belge Ltd.	9 %	National Westminster	9 %
Banque du Rhone	10 %	Norwich Gen. Tst.	9 %
Barclays Bank	9 %	R. Raphael & Sons	9 %
Beneficial Trust Ltd.	10 %	P. S. Refson & Co.	9 %
Bremar Holdings Ltd.	9 %	Roxburghe Guarantee	9½%
Brit. Bank of Mid. East	9 %	Royal Trust Co. Canada	9 %
■ Brown Shipley	9 %	Standard Chartered ‖	9 %
CL Bank Nederland	9 %	Trade Dev. Bank	9 %
Canada Perm't Trust	10 %	TCB	9 %
Castle Court Trust Ltd.	9½%	Trustee Savings Bank	9 %
Cayzer Ltd.	9 %	United Bank of Kuwait	9 %
Cedar Holdings	9 %	United Mizrahi Bank	9 %
■ Charterhouse Japhet	9 %	Volkskas Intnl. Ltd.	9 %
Choulartons	10½%	Westpac Banking Corp.	9 %
Citibank Savings ¶	10½%	Whiteaway Laidlaw	9½%
Clydesdale Bank	9 %	Williams & Glyn's	9 %
C. E. Coates	9½%	Wintrust Secs. Ltd.	9 %
Comm. Bk. of N. East	9 %	Yorkshire Bank	9 %
Consolidated Credits	9 %		
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Π Money Market Cheque Account—8.75%. Effective annual rate—9.11%.

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Unisat insists on cash guarantees for satellites

BY RAYMOND SNODDY

UNISAT, the consortium building three direct broadcast satellites (DBS) for the BBC warned the Government yesterday that work on the project would stop in early January without financial guarantees.

The warning came on the eve of a meeting of the BBC Board of Governors today which is expected to decide it cannot go ahead with the £350m project at present.

The chairmen of the three consortium members, British Aerospace, British Telecom and GEC Marconi told ministers yesterday that such a decision would lead to redundancies and redeployments among the 600–800 people involved in production of the three satellite system in the UK and abroad.

The consortium has already spent or committed about £50m over the past 18 months, although the BBC has only signed heads of agreement. Unisat made it clear to Mr Norman Tebbit, Trade and Industry Secretary, and Mr Leon Brittan, the Home Secretary that the consortium could no longer sustain costs which would rise sharply in the new year.

A further down payment of £2.5m towards the £20m to £25m launch costs on Space Shuttle or Ariane is already overdue and unlikely to be made without financial commitments that the money will not be lost.

Members of the consortium, it is believed, received no assurances from the Government yesterday despite the fact that the Department of Industry was heavily involved in putting the Unisat consortium together.

The Government did, however, promise its "good offices" in trying to find a suitable partner for the BBC to cut the cost and the risk. The most often mentioned partner is either the Independent Broadcasting Authority for a collection of major ITV companies. The central dilemma, to which there was no obvious answer in Whitehall last night, was how to bridge the financial gap for Unisat until such a partnership could be created.

Some Whitehall sources emphasised last night that although Britain's DBS policy appeared to be on the brink of collapse they were still optimistic that some way could be found to keep it on track.

In other areas of Whitehall, however, there was irritation with the BBC and a determination that if it decided not to go ahead with Unisat "they would not be allowed to go ahead at a later date with anyone else".

The Government would clearly prefer the BBC to postpone a final decision today to leave greater flexibility to try to find a solution.

It became increasingly clear yesterday that whatever happens, a scheduled launch of DBS services in the UK in autumn 1986 is now almost impossible.

Council grant set at £11.9bn

BY ROBIN PAULEY

THE GOVERNMENT will distribute £11.9bn in grant to English local authorities in 1984–85, £90m or 0.7 per cent more than in the current year. This was announced yesterday by Mr Patrick Jenkin, Environment Secretary.

His statement of the level of rate support grant – the amount of money paid by Government to local authorities to fund a proportion of their spending – contained no surprises. It allows a maximum 3 per cent cash increase for low spending councils and sets a target of 6 per cent cash cuts for the highest spenders.

The announcement brought unanimous predictions from both Conservative and Labour local authority associations that it would lead next spring to very high increases in rates – the taxes on business and domestic properties by which councils fund the rest of their spending.

The rate support grant will represent 51.9 per cent of total current expenditure qualifying for grant, compared with 52.8 per cent in 1983–84.

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French groups join consortium in bid for Channel Euroroute

BY PETER BRUCE

TWO MAJOR French industrial groups yesterday joined forces with the British consortium which for the past two years has been trying to persuade the UK and French Governments to build a combined road and rail link across the Channel.

The state-owned Alsthom-Atlantique and Grands Travaux de Marseille from the private sector announced in London that they were forming a joint company to promote the Euroroute bridge and tunnel crossing in France.

Until now, the UK consortium – British Shipbuilders, British Steel, Trafalgar House, John Howard, Fairclough International and Raymond International of the U.S. – have been lobbying on both sides of the Channel.

Alsthom-Atlantique, a subsidiary of Compagnie Générale d'Electricité, is best known for its heavy and electrical engineering operations, including shipbuilding and locomotives. Grands Travaux, a construction group, built the Pompidou exhibition centre in Paris and was involved in the construction of the Cabora Bassa dam in Mozambique.

Despite the optimism of the Euroroute partners, the scheme's main competition, an underground twin rail tunnel being proposed by Wimpey and Tarmac of the UK, is understood to have received the backing of an important, though unofficial, report now with the two governments. The report, compiled by a group of five British and French banks, argues that the rail-only tunnel would be easier to finance privately.

The report may be published early in the new year. In June 1982 a joint technical study commissioned by the two governments backed a similar proposal, emphasising, however, that construction would be "subject to the ability of the market to raise finance on terms acceptable to the two governments."

Euroroute claims that its proposals, which involve resting a 19km steel tunnel on the seabed between offshore islands linked to the mainland by bridge, would create some 50,000 jobs on the British half of the contract. At mid 1980 costs of £3.8m (more than £4bn at current costs), Euroroute believe loans raised in the markets could be repaid by 2009 at a 4 per cent real rate of interest.

BA signs $200m lease deal

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS (BA) yesterday signed with a group of banks led by Chemical Bank of the U.S., and Boeing Commercial Airplane Company, the $200m leasing deal on a fleet of 14 Boeing 737–200 twin-engined jet airliners.

The aircraft will be bought from Boeing by the group of banks, which will then lease them to BA for short periods of from one to three years. First deliveries to BA will be made in late 1984, and through 1985. The airline has also taken an option on a further 17 Boeing 737-200s.

The jets are needed to replace BA's ageing fleet of 34 Tridents, which need to be phased out by the end of 1985 because of new UK and European governmental noise regulations that become effective on January 1, 1986.

The decision to lease the new jets rather than buy them was taken by BA so as to keep its balance sheet free of further debt in the run-up to eventual privatisation in early 1985.

The move also means that BA can keep its options open on the possible purchase of new, bigger jets, such as European Airbus A-320s or other types of 150-seat aircraft before the end of this decade.

Monopolies bar on £56m casino merger

BY RAY MAUGHAN

A £56m merger between Pleasurama and Trident Television, two leading casino groups, has been blocked by the Monopolies and Mergers Commission.

The Commission's verdict, backed by Mr Norman Tebbit, the Minister for Trade and Industry, was heavily influenced by the presence of Grand Metropolitan, the brewing, tobacco and leisure group which holds a 29 per cent stake in Pleasurama and a "position approaching dominance of the London casino market," according to the commission.

The proposed merger was first outlined at the end of last March and has recently been succeeded by the spectacular entry of the Aspinall casino group to the Unlisted Securities Market in an issue which attracted subscribers for shares worth more than £500m.

Trident is one of the major casino operators in London with four clubs – the Victoria, Clermont, Connoisseur and Village. Meanwhile, Pleasurama's links with Grand Metropolitan extend beyond share ownership into a joint venture in the Ritz and Casanova Casinos which are managed by Grand Metropolitan's Mecca Sportsman subsidiary.

The Commission concluded that the acquisition of Trident by Pleasurama would, in fact, result in a merger between Grand Metropolitan and Trident. While Grand Metropolitan's stake in Pleasurama would be reduced to about 20 per cent after the merger with Trident, the commission found that Grand Metropolitan "would still be able to exercise material influence over Pleasurama's decisions" as a result of the fragmented nature of other shareholdings and its sway over Pleasurama which stems from the joint casino ownership.

The recommendation of the merger authorities appears to have been expected by the three casino companies. Mr G. E. Ward Thomas, chairman of Trident, said yesterday: "The finding comes as no surprise and we have not been standing still over the last six months."

Grand Metropolitan, too, had anticipated that the merger would operate against the public interest. Its solution was to unravel the joint venture with Pleasurama in the Casanova and Ritz casinos which it believed "was not in the best interests of the gaming industry."

Talks aimed at terminating the joint venture, however, had already foundered and Pleasurama was left with the understanding that Grand Metropolitan would vote against the merger with Trident.

Posgate's suspension renewed by Lloyd's

By John Moore, City Correspondent

THE RULING authorities of the Lloyd's insurance market have suspended Mr Ian Posgate, the former leading underwriter of Alexander Howden and a member of Lloyd's council, from working in the market for six months.

Mr Posgate has been suspended from the market this year after allegations against him and four other former executives by Alexander & Alexander Services, Howden's U.S. owners, that they had misappropriated $55m of funds from Lloyd's insurance syndicates under Howden's management and other Howden insurance interests.

Yesterday's suspension announcement by a sub-committee of the council of Lloyd's is a renewal of a suspension notice made six months ago. It will become effective from December 26 when the existing notice expires.

Lloyd's said that on December 1 the sub-committee notified Mr Posgate it was considering issuing a further suspension direction and told him that he had the right to make representations. Written representations were made by Mr Posgate's solicitors.

The investigations committee, Lloyd's said, is considering the first part of a report by a Lloyd's committee of inquiry into the affairs of Alexander Howden companies and Posgate & Denby (Agencies), Mr Posgate's own Lloyd's underwriting agency.

The report has reviewed the activities of Mr Posgate and the four other former Howden executives – Mr Kenneth Grob, Mr Allan Page, Mr Jack Carpenter, and Mr Ronald Comery. There is argument among members of the investigation committee and the ruling authorities over whether or not the report should be issued to about 3,000 Lloyd's members who formed the syndicates under the management of Howden and Posgate and Denby.

Those opposed to releasing the report argue that the members do not need copies since the funds alleged to have been misappropriated have been returned to their interests.

Posgate & Denby is planning to call an extraordinary general meeting of its shareholders in an effort to remove Mr Posgate from the agency.

UK NEWS

Average pay rises 7.75% as economic activity increases

BY PHILIP STEPHENS

BRITAIN'S wage-earners are still keeping well ahead of inflation, with incomes boosted by the continuing pick-up in economic activity, the Government said yesterday.

Figures released by the Department of Employment showed that average earnings rose 7.75 per cent in the year to October, unchanged from the previous two months.

Earnings in the productioo industries, which include energy, water supply and manufacturing, climbed even faster to register a 9.25 per cent annual increase in October compared with 9.0 per cent the previous month.

Officials said the key to the higher earnings was a sharp increase in overtime working and a drop in the amount of short-time work, both attributable to economic recovery.

Longer working hours boosted earnings by 0.75 per cent in the economy as a whole over the year to October, while the impact on manufacturing industry was between 1.0 and 1.25 per ceot.

Overtime in manufacturing industry averaged 11.7m hours a week, up from just under 11m in September, to reach the highest level since June 1980.

At the same time, hours lost during the month due to short-time working fell to 456,000, the lowest since September 1979.

The rise of nearly 8 per cent in average earnings over the last few months contrasts with October figures showing the consumer price index rising by 5 per cent and the tax and price index (TPI) by 4 per cent.

If the TPI is takeo as the best guide to actual income, workers are keeping nearly 4 per cent ahead of inflation.

The Department officials stressed that the earnings statistics did not reflect high settlements in the present pay round. On the contrary, an expected lower level of awards would not begin to feed through until the spring.

Wages and salaries per unit of output also rose, registering a 4.2 per cent rise in the three months to October compared to the same 1982 period, and against a 3–6 per cent rise in three months to September.

The earnings figures are adjusted to allow for temporary factors such as back pay and the timing of pay settlements. On an unadjusted basis, the increase in the year to October was 8.7 per cent compared to 8.5 per cent in September.

Venture started in artificial intelligence

BY PETER MARSH

RANK XEROX and three of its former employees have set up a new venture in artificial intelligence, the discipline in which computers take on limited reasoning powers.

The office-equipment company has a 25 per cent stake in Artificial Intelligeoce. This will sell the software tools to make computers which have general knowledge.

Among the systems that will be made possible are computers that analyse faults in electronic components or which calculate how to heat or ventilate buildings. Machines which work according to the new techinques could also help geologists to pinpoint oil wells from survey data.

Artificial Intelligence, based in Watford, Hertfordshire, will sell computers programmed with a language called Interlisp-D. This was developed at the research centre in California of Xerox, which owns 51 per cent of Rank Xerox.

Mr David Butler, chairman and managing director of Artificial Intelligence, said yesterday that he hoped to sell 15 of the computers oext year at £23,000 each.

The company has sold one machine to STL, the research arm of STC, the telecommunications company. Technicians will program into the equipment the general principles that determine whether electronic componeots contain faults. Other workers will then interrogate the system to determine whether items emerging from a factory productioo line are defective.

Shipyard criticised

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MR NORMAN TEBBIT, the Trade and Industry Secretary, yesterday criticised the performance of both management and workers at the threatened Scott Lithgow shipyard on the lower Clyde, West Scotland.

"We have put over £140m into subsidising the losses made at Scott Lithgow recently and we still seem to have very great difficulties in persuading the workforce to get an oil rig out on time," he said.

This was not the fault of regional policy, he added, but the fault of management and men at Scott Lithgow.

Mr Tebbit's words underlined the Government's refusal to step in to save the yard, which will almost certainly close if Britoil cancels a £85m order for a drilling rig which is effectively two years behiod schedule.

The Scottish Office is looking at ways to restructure the yard. Britoil is expected in the next few days to annoance the cancellation of its contract.

TECHNOLOGY

EDITED BY ALAN CANE

U.S. TRIALS OF SOLAR POWER USING A MOLTEN HEAT STORE THAT COULD BE USED IN BRITAIN

Salt tower heat trap finds favour

BY PAUL WALTON

A BATH of molten salt soaking up the energy equivalent of the radiation from a quarter of a million suns might power commercial electricity generating stations by the turn of the century. And it may even be possible to use the technology in the cold and wet British climate.

The first "warm" trials have just begun in the New Mexico desert in America using molten salt to collect and store the sun's rays. It is hoped this work will lead to solar power being economic even in temperate climates.

Molten salt collects the heat focussed on it by a field of reflectors, or heliostats, in an opaque bath at the top of a 200 feet high tower. The circulating liquid is used to produce steam which drives turbo-electric generators.

Dr John Holmes, site project manager on the Molten Salt Electric Experiment (or MSEE) at the Sandia National Laboratories, described it as "the hot favourite in America at the moment, at least among those of us who have a view to the commercial exploitation of solar power anywhere else in the world."

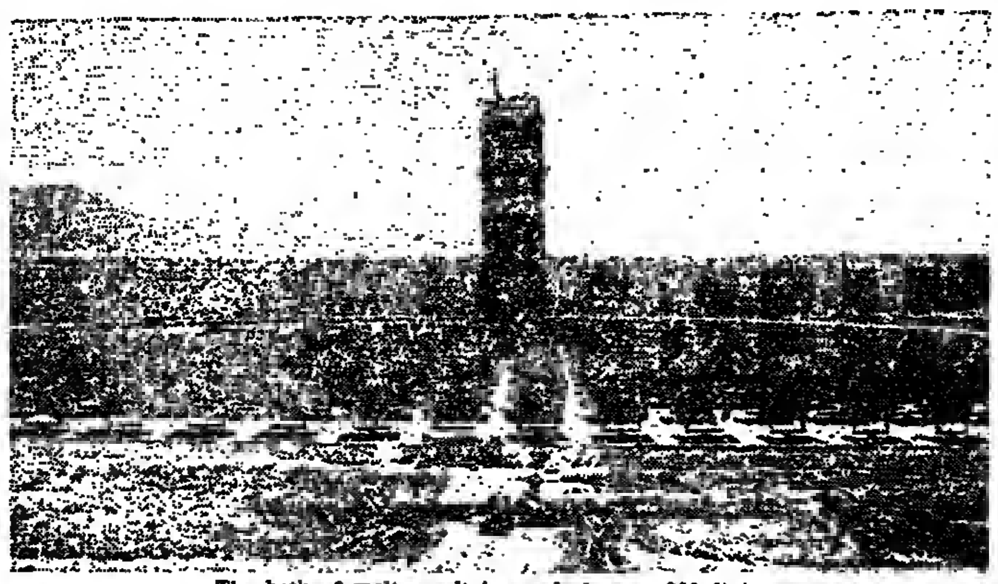
The American Government paid half of the $5m which it cost to set up the first MSEE. The solar power industry, including firms committed to its commercial success like Babcock

> It is hoped this work will lead to solar power being economic even in temperate climates.

& Wilcox, Pacific Gas and Electric, McDonnell Douglas, and Martin Marietta provided the rest.

The small scale pilot will generate 750,000 watts of electricity—the energy concentration of some 250 suns—and supply 250 homes for one-quarter of the year. Dr Holmes hopes that, if successful, it will be the starting point for the first "cold climate" solar power station.

He said: "The MSEE is the world's first totally integrated operational solar power station using molten salt. It will give American firms the opportunity to test out how these things are really going to work."



The bath of molten salt is perched on a 200 ft tower

Dr Holmes added that the MSEE ultimately wants to scale up this first solar tower over a hundred fold. He claimed that it would be possible to generate 100m watts by multiplying the effectiveness of the heliostats and then scaling up the molten salt receiver.

He said that the use of molten salt is much easier and cheaper to work with than steam, despite the fact that it reaches temperatures of over a 1,000 degrees Farenheit.

Molten salt retains its heat energy for much longer periods than steam: the MSEE pilot uses a cheap and commonly available salt mixture.

Solar energy picked up in the opaque receiver, or "bath," at the top of the tower has the

> Molten salt retains its energy for much longer periods than steam.

advantage that it can be stored for long periods. The freshly heated molten salt is stored in reservoirs at the foot of the tower, to be used when none is directly available to power the generators.

The more usual water receivers create immense pressures of steam, which Dr Holmes said had proved difficult to control. Solar power stations which collect energy using water have tended to be prohibitively expensive to build, he said, "because of the cost of controlling all that high pressure steam.

"And when the sun disappears, your conventional solar power station grinds to a halt," added Dr Holmes.

While the first MSEE pilot also cost a great deal to construct, it is a technology which other countries are beginning to follow. A molten salt tower called THEMIS is about to undergo trials in the south of France early in 1984, generating a million watts of electricity.

He said that investing the large sums needed to build solar power stations, using either molten salt or another liquid metal as the receiver, will soon begin to look economical if world energy prices continue to escalate.

The MSEE project will produce electricity which will be four times the price of conventional energy from coal-fired or nuclear power stations: it works out at 40 cents per kilowatt hour.

As the capital costs of the solar towers are paid off and the price of energy rises, Dr Holmes believes that MSEE could become economical "within ten years, even if the sun doesn't stay out for all that time."

Software

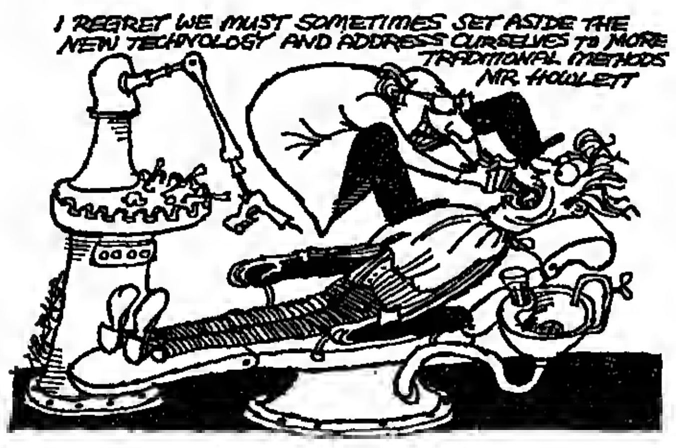
Husky captures road data

A SOFTWARE package for the Husky family of portable microcomputers can be used for data capture in a form compatible with the CHART system for assessing the structural maintenance needs of highways.

The CHART system, developed by the Transport and Road Research Laboratories and licensed by the Department of Transport, in the UK reduces the time to carry out road condition surveys. More details are available from Husky on 0202 668181.

DENTISTRY

Two-part pin secures fillings



BERT HINKS had an idea to design a better way of holding fillings in teeth with a special pin. Within five months a new company, Precision Dental Products, was set up in Wales to mass produce them. There is also a large export potential.

Dentists use retention pins to form an anchorage for fillings that would otherwise be difficult to cement into the tooth. Once the decay has been cleared away, a small hole is drilled in the tooth and the drill head inserts one or more retention pins, which have a self tapping thread.

Mr Hinks inventor of the Securipin, devised a two part pin—where the pin unscrews from the shank—which can be made in materials such as stainless steel, gold, titanium or silver.

The advantage of the two part pin, says Precision Dental Products, is that it is quicker to insert, and is not liable to bend or snap as easily as conventional pins.

According to Mr Ian Whitfield, vice chairman of the new company, there is worldwide interest in the new pin. Each year more than 150m fillings are carried out in the U.S. Potentially 40 per cent of these could use pins. This compares with 33m fillings in the UK.

The company is now making 34,000 pins a month at its new factory in Llandrindod Well, Powis. Mr Whitfield, hopes to have a workforce of 20 by the end of the year. Precision Dental Products has £100,000 paid up capital.

ELAINE WILLIAMS

COMPUTER EQUIPMENT

Uncertain future forecast for industry

BY ALAN CANE

THE FUTURE of the mini-computer industry has been uncertain for some time now as spending on data processing equipment has become increasingly polarised towards mainframe computers and micro-computers.

This trend is further underlined by a new report from the consultancy IDC Europa* which suggests that between 1982 and 1988, spending on systems costing U.S.$151,000-U.S.$250,000 — typical of the larger mini and supermini families of machines —will grow by only 10 per cent a year.

Spending on mainframes costing over U.S.$500,000 is set to grow by 15 per cent annually over the same period while

> There will be substantial differences in growth rates between various categories in the software and services market

microcomputer systems costing less than $15,000 and which can be used simultaneously by several users will be growing at 33 per cent a year.

According to IDC Europa, this polarisation reflects the trend towards distributed data processing in larger companies and growing acceptance of dedicated microcomputer systems in smaller companies: "a growth in smaller systems in end user departments and smaller companies and a growth in larger systems to support some of the end user functions in a distributed/office automation environment".

The report shows that U.S.$57.7bn was spent on data processing in western Europe in 1982 of which $50.4bn was spent by data processing departments. The remaining $7.3bn was spent by end user (customer) departments with $5.1bn going on software and services and $2.2bn on hardware.

It goes on to show that there will be substantial differences in growth rates between various categories in the software and services markets. Packaged software—designed for a specific function and run on the computer without modification—from hardware and from independent vendors is expected to grow at 30 per cent a year while processing services are expected to grow at only half that rate.

"These differences in growth rates reflect the increasing ability of many smaller companies and end user departments to acquire their own in-house computer." IDC Europa notes.

For all industries in the UK, some $11bn was spent on data processing in 1982, of which $4.6bn was staff costs, $3.5bn hardware costs and $1.5bn software and services.

The total spend is expected to rise to $24bn by 1988, with the largest rate of growth seen in line charges to British Telecom.

* DP *Market Forecasts and Spending Patterns. Western Europe 1982-1988. IDC Europa, 01-995 9222, £1,600 (£480 for UK data* only).

OLIVETTI M20 PERSONAL COMPUTER

1984: ORWELL WAS WRONG

According to Orwell, in 1984 man and computer would have become enemies. But his pessimistic outlook was wrong. Today, the computers produced by the world's leading companies are man's most reliable aid. And the Olivetti M20 personal computer proves it. But then you couldn't expect less from a manufacturer who has installed tens of thousands of machines in offices world-wide. Olivetti now brings you the M20HQ model with a memory thirty times larger than the basic version. And when there's a need for even greater power and coordination in office jobs, the Olivetti M20 can manage a group of M20s working in conjunction with one another, integrated into a local area network. So from today there is a family of Olivetti personal computers with different storage capacities and a wide choice of operating systems (MS-DOS, CP/M-86, PCOS, UCSD-p) to satisfy different needs. And with their 16-bit technology and communication capabilities they are designed to keep abreast of change. Olivetti protects your investment in equipment and software. With the M20 your office's problem solving becomes a more productive function. Olivetti's personal computers embody all of the company's leadership in ergonomics and design which have become a consolidated part of its success in the office throughout the world.

olivetti
brains & beauty

For more information, contact Valerie Belfer (M20/FT3) British Olivetti Limited, Olivetti House, Upper Richmond Road, London SW15 2UR. Telephone 01-785 6666.

JOBS COLUMN

Product champions • Finance folk • Sales, etc

BY MICHAEL DIXON

DID YOU KNOW that if you are in the Uoited States, and happen to be so inclined, you can call a certain telephone number and get told a dirty story? · I didn't until I was told as much the other day by John Short, general manager of the Spectrum division of British Telecommunications.

He was citing that sordid U.S. facility as an example of the sort of service which Spectrum will definitely not provide in its effort to boost usage of the British telecommunications network. Even the Talkabout service under trial in Bristol (number 02210221) which enables callers to join in discussions with others likewise wanting a chat over the hlower, is supervised by "cooversation leaders" who cut off any contributor who becomes unduly offensive.

Such things apart, however, Spectrum is keen to consider backing any telephone-based service that peopla are likely to want enough to provide BT with profits. A further example is the electronic mail system, started in Britain about 18 months ago, through wbich the 4,000 or so subscrihers can leave and pick up messages for one another by telepbone from anywhere in the world. And there are numerous other projects impending.

What Spectrum lacks, Dr Short said, is not so much promising ideas as people able to take one of them up and turn it into a practical and profitable service—"product champions" is his name for them. So he is hoping that a few of same are to be found among the Jobs Columa's readers.

"I've a feeling that there must be people, working in hig corporations perhaps, who are entrepreneurial in the sense that they'd like to develop and run their own sbow even though it might not make them personally a lot of money," he added.

"They'd need commercial vision, ahility to negotiate persuasively oot least with senior management in British Telecommunications, and some experience in managing a businés operation. But that's about as specific as I can be."

Provided caodidates convince bim that they fill the bill Spectrum will pay, withto reason, the starting salary needed to get them. A range from about £12,000 to more thao twice as mnch is currently io mind.

Inquiries to Dr Short at Room 524 Seal House, 1 Swan Lane, London EC4R 3TH; telephone 01-357 5121, telex 883055.

Kuwait

RECRUITER Nigel Lilley of CKL Management Services is offering a joh in Kuwait with the building-products subsidiary of a big group with a diversity of manufacturing and trading interests. The subsidiary, which operates througbout the Middle East, wants someone who although no older than 35 has enough fioancial management experience to start as its financial controller and earn promotion to the equivalent post at group level within the next three years.

Salary around £60,000-£65,000 tax-free, plus housing, car and other expatriate perks. Kuwait is "only slightly less socially liberal than other Gulf states," Mr Lilley says, "and the educational facilities for children are excellent."

Inquiries to him at 7 Cork St., London W1X 1PB; tel 01-734 1843, telex 261507 Monref G, ref 2430CKL.

Accountants

WHILE we're outside the Uoited Kingdom we might as well deal with ao opening in Tanzania which is one of two posts with a British construction group heing offered through John Steeds of Mervyn Hnghes Alexandre Tic (International). Like Nigel Lilley and, indeed all headhunters cited in this column who may not name their clients, Mr Steeds promises to ahide by any applicant's reqoest not to be named to the employer without specific permission.

The Tanzanian job is for a young qualified accountant with experience mainly on the cost and management side hut able to handie financial accounting too. The recruit will be number two to the financial manager of the group's construction company hased in Dar es Salaam.

Salary about £17,000 subject to only a small local tax and perks include free accommodation for either a single person or a family with cbarges for electricity, water, telephone and so on paid by the company.

At the north London headquarters of the same group's main UK subsidiary there is a need for a qualified accountant with experience at managerial level in the construction industry. The newcomer will start as the subsidiary's financial controller and will be expected to earn a seat on its board within a fairly short period. Candidates familiar with computer systems would have an advantage.

Salary up to £18,000.

Inquiries to John Steeds at 37 Golden Square, London W1R 4AN: tel. 01-434 4091, telex 28131 Orserv G.

Start up

IF YOU are highly successful at selling high-technology products and keen to build up a business from scratch, then you might like to contact Ian Barr of Berry Wilson and Associates. He bas beeo asked by two entrepreneurs—one Dntch, one British—to find the person they need to start and develop their new joint venture marketing high-tech office equipment.

The initial base will be about 30 miles west of London, hut it could be changed

Salary about £30,000 with company car among the perks.

Inquiries to Mr Barr at 178 Nroth Gower Street, London NW1 2NB; tel. 01-388 7611.

Perverse

NOW, with deep regret since this is the last Jobs Column before the season of universal goodwill, to another example of the mind-boggling doings of this country's Department of Edncation and Science.

Its present Secretary of State, Sir Keith Joseph, seems more concerned than any of his predecessors to provide education which equips young people for the practical needs of life. And ooe of several other bodies which sbares the same concern is the Education for Capahility group, backed by numerous employers as well as academics, which is headqnartered at the Royal Society for the Encouragement of Arts, Manufactures and Commerce.

Every year the group awards prizes to about a dozen initiatives in the educational field which it considers are successfully helping to equip childreo to live and work effectively in society. Of the dozen, the two or three projects judged to be especially promising are given the extra honour of being invited to give a presentation at Ednication for Capability's annual symposium in London.

One of the three so chosen this year—and widely regarded as the best of them—was a programme developed by Thames Polytechnic to produce teachers for primary schools who are skilled in enabling young children to learn by solving practical problems.

Unlike the great bulk of teacher-training courses which take their students straigbt from previous stages of full-time academic education, the Thames Polytechnic initiative recruits a high proportion with experieoce of other kinds of work. Mike Bruce, head of the poly's teacher-training section, says that about 40 per cent of the atudeots bave not only worked in industry, commerce or the like but are old enough to bave school-aged children of their own. Another 15 per cent, although younger, have also worked outside the education system.

So what would you think the Department of Education and Scieoce is doing with the Thames Polytechnie programme?

It is closing it down.

That said, a bappy Christmas and prosperous naw year to everyone—including Sir Keith and his department provided they make a resolution to stop undoing with one hand the useful things they are trying to do with the other. All being well, the column will be hack on January 5.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

The need to preach a corporate gospel

Feona McEwan assesses implications of four campaigns

THE business giants are getting very chatty these days. Corporations seem keener than ever to speak their minds in public, exercising the company voice in newspapers and on television screens. Why do they bother? And what do they expect for their pains?

A look at a quartet of companies currently showing their corporate mettle, though for different reasons, suggests some of the answers.

The companies fall into two groups. On the one hand, with privatisation on the horizon, British Telecom is facing the inevitable and parading its aces as never before. In the wings British Airways awaits its turn—and in a fine piece of opportunist advertising British Caledonian seizes the chance to beat its own drum.

On the other hand, IBM UK and Standard Telephones and Cables, both coping with the problems of famous American parents, face identity problems. The mighty IBM, not for the first time, is busy persuading us what a fine upstanding local citizen it is—which few can dispute. STC, since leaving the ITT nest 18 months ago, is a born-again company with image to match, and needs to spread its gospel.

Just how far the privatisation factor weighs in the BT's current corporate campaign on television is a moot point. The corporation refuses to be drawn. Corporate campaigns, it says, are regular features every two or so years and this one was planned long ago. Yet it's the first time BT has splashed out on television—still the quickest way of reaching most people—and part of the campaign focuses on issues that happen to be at the centre of the privatisation debate.

Officially, BT is explaining its new burst, which ends this month, as the means to gaining favourable public opinion. "We are a business," Sir George Jefferson, the chairman, says, in a company leaflet. "We must pay our way and expand and increase jobs. We shall be helped in this by favourable public opinion, which advertising can help to secure." A bad press has not helped.

That bad press included a series of press ads placed over the last six months by the BT Unions Committee which put forward the anti-privatisation case. The ads suggest that sell-off plans could lead to reduction of uneconomic services such as those to rural communities, public telephone boxes, and emergency services, as well as to price rises and foreign control of the network.

In an action separate from its TV campaign, BT countered what it calls "misleading information in the media" with a series of three public announcement ads starting in November. BT categorically refutes certain suggestions of cutbacks, foreign control and soaring domestic prices.

For its trouble, BT collected some 14 complaints, currently lodged with the Advertising Standards Authority, including one from the Unions Committee. The principal complaint, which the ASA says is a rare and tricky one, centres on the point that the current BT board is in no position to assume what any future board may do.

BT may be used to speaking with its corporate voice, but since it lost its monopoly on supplying equipment and networks two years ago, it has been exposed to the new world of competition and its voice has grown more insistent.

Research carried out monthly by BT showed that it faced something of a credibility gap. Most consumers regarded the corporation, says a spokesman, as a telephone service, no more. Its considerable technological achievements went unsung. The current campaign set out to put this right and highlights BT's many facets. The centrepiece is the 60-second "Power behind the button" commercial which shows the wide scope of BT's operations. This is backed up on a variety of ads focusing services.

"BT is using reactive advertising," says Anthony Wreford of McEvoy Wreford, specialists in corporate communications. "It's a classic case of American-style issue advocacy having arrived in Britain. Before the Conservatives we had the opposite situation. The issue under a Labour Government was nationalisation and the banks and insurance companies then on the Government's shopping list laid their case in print."

Mike Cox, of Dorlands, BT's agency, says: "These days a company is often bigger than the products it markets. A company needs to have some standing in the eyes of consumers as a responsible, caring, and, we hope, successful company."

The B. Cal case is a variation on the advocacy theme. "They are making hay on the back of BA," says Wreford. B. Cal sees BA privatisation as simply changing a public monopoly into a private one so it has taken the initiative to safeguard its interests by placing full page ads in the press outlining an alternative plan.

IBM's corporate advertising stance is dictated by its status as a multinational. And a mighty one to boot. Nothing new in that perhaps, but identity is an issue that has preoccupied this American citizen—an old campaigner in ad terms—for a number of years.

Leader by a league in what is the fastest growing industry in the world (IBM's European data processing revenues — almost £10bn last year — equalled the combined turnover of its 10 closest competitors) IBM is at root American. Since it operates in nearly every country in the world, this point is not likely to be a savoury one to every government — in most cases IBM is the major supplier.

Since January 1981 member governments have been obliged by GATT and EEC rules to put out most major computer contracts to open tender but nationalised industries and local authorities do not have to do the same. France had had a buy-French policy for its state-owned institutions but has now relaxed it and IBM has benefited considerably.

In Europe generally, the issue of origin is particularly sensitive while the European Commission still has its competition case outstanding against IBM, which it has accused of abuse of a dominant position.

It is a case IBM cannot afford to lose. It is at pains therefore to ensure that its public image is as polished as possible. It wants to be perceived by the public, whether in Belgium, Germany, France or the UK as a friendly, caring company and, above all, a national asset. IBM has always been careful to promote itself through its country of operation.

The present press campaign —handled as it has been for five years by Saatchi and Saatchi, the agency used by the Conservative Party — presents IBM's Britishness in a clever new way. Under the banner "How British do you have to be to contribute to Britain?" it sketches in four ads the origins of famous commercial successes — American Gordon Selfridge, Frenchman Isambard Kingdom Brunel, Polish Michael Marks and Canadian Samuel Cunard. Is it parentage or contribution that counts, it asks, then lists its own assets (£119m investment in the UK in 1982, 11,000 British suppliers. . . .).

IBM's messages have not changed much over the years. The issues have remained constant though the emphasis may have changed. Last year's effort (which included a picture of an IBM building with the caption "New Hampshire U.S.A.? No, Old Hampshire UK") attracted accusations of an attempt to deny its American parentage—something it made every effort to avoid in the present campaign.

The effects of corporate advertising, IBM knows well, are not permanent. "It's not a once and for all thing," says the spokesman. "The decay sets in so you have to refresh awareness from time to time with a short sharp reminder." IBM's budget on corporate advertising is one-tenth of its expenditure for personal computers.

Although ITT remains its major shareholder, STC, the international communications company, has become a brand new being. In the space of a year, it has acquired eight subsidiaries and turned in a record turnover of £1bn. To match its new direction, it is adopting a new corporate identity to be launched early next year.

"The current campaign is a curtain raiser," says public relations director, Peter Earl.

Response to the ad has been remarkable. Hundreds of readers have taken up the—vaguely worded—invitation included in the ad to write off for more information on how STC is "shaping the future." Most of them require individual replies, says Earl.

Hachette-Opera

A 'meeting point' in Paris

David Housego on a novel multi-store complex

THE FRENCH have been among the slowest in Europe to take on board the concept of information technology. Now, one of the country's best known publishers has unveiled ambitious plans to change all that with a novel "multi-store" complex right in the heart of Paris. The store, in the Place de l'Opera, will offer not only a comprehensive range of computer hardware and software and other electronic equipment, but also books, magazines and other reading material, together with two restaurants, served by highly automated kitchens, and a delicatessen.

Hachette, the once traditional book publisher which over the past two years has launched into information technology and feature and TV film production, will also be breaking new ground by being the first large Paris store (it will cover 6,000 square metres) to remain open from 10 am to 1.30 am seven days a week. It intends the store to be a meeting point and recreation centre, where people can gossip, see and test new products, discover new video releases, deepen their knowledge of computer technology and browse through books and magazines, as well as have a meal.

The company sees its "Hachette-Opera" as responding to the style of living of the 1980s and 1990s, more easy-going, and adventurous, mixing entertainment and knowledge in a type of Club Mediterranée atmosphere where agreeable surroundings and pleasant food are also available.

The video department, displaying some 3,000 titles, will include a video club and a specialist section for enthusiasts of the history of the cinema, of foreign films and of the works of key directors and stars.

The press and periodical section—reflecting Hachette's strong stake in newspaper distribution in France—will carry the largest stock of domestic and international papers and magazines in Paris. The book store will carry a stock of 15,000 titles with the emphasis on general literature, books for the young, and tourist and practical guides to living.

The emphasis on the visual will be highlighted by the giant TV screen being constructed by Philips that will dominate the central covered piazza inside the store, and which will show a non-stop programme of news, publicity and film extracts. Push button, computer-controlled information panels will guide shoppers to the department they want.

Yves Sabouret, managing director of Hachette, describes the new store, which is to open in late January, as a "prototype". If it proves successful, he says, Hachette plans to open similar stores in major provincial cities and abroad in line with the company's increasing international diversification.

Sabouret says the store is seeking to attract those "with an interest in" what is modern, in fashion and "who have a reasonably high level of purchasing power." It will appeal to those aged 15-50, "adults, those who are internationally minded and professionals," he says.

Selection of programs

The intention is that each department will carry the full range of products available in France in its field. Thus 35 different models of computers will be sold in both the household and semi-professional category. This will be backed by what Hachette claims will be the largest selection of computer programs in France — about 1,000 titles—and specialist international books and periodicals.

Hachette believes it is striking the French market at the right time in that sales of computers and video equipment in France are well below that of the rest of Europe and particularly of Britain. As a result of the new government push for the information industry, sales of microcomputers are expected to explode over the next few years, rising by 30 per cent annually, according to one market survey. At the moment sales outlets are fragmented.

The new store is a 50/50 joint venture between Hachette and Eurest, a subsidiary of Nestlé and the Compagnie Internationale des Wagon-Lits. Hachette will have management control and has insisted on using its own name. It has invested FFr 20m (of which half was to buy its stake in the former Drugstore Opera that gives on to the Place) in the project, and Eurest FFr 10m. Together they hope for a turnover of FFr 120m (£10m) in the first year.

For Hachette, the new venture is also a "shop-window" in which to establish its new image as a multi-media group. The diversification began in 1980 when Matra, the French electronics and arms group, gained majority control. Matra was subsequently nationalised, but Hachette was spun off as a private group in which Marlis has 53 per cent. Marlis is a holding company in which Jean-Luc Legardore, chairman of Matra and Hachette, is a major shareholder.

Since taking over, the new management has been pushing Hachette into information technology and audio-visual products. It wants, says Sabouret, to add more "dynamism" to Hachette's rather "solid, scholarly" image. Market research surveys show that the name Hachette as publishers of school books and encyclopedias is known to an astonishing 94 per cent of Frenchmen.

Sabouret sees the new store as springing naturally out of Hachette's mainline interests. More than a fifth of the company's FFr 9bn turnover comes from retailing. It owns 900 sales points in France distributing books, magazines and periodicals from a network of shops on stations, metros, hotels and hospitals. It has recently purchased the Nuggett chain of record and video shops which it plans to expand.

Sabouret does not believe that the new "Hachette-Opera" has any competitor in its field. Mancom, the French public relations consultant which is helping to launch it, is publicising the store as inaugurating a new generation of large shops. It plans to distinguish it from the popular American-style drug store that invaded France in the 1950s as well as from the more elitist and cultural FNACs of the late 1960s and 1970s which sprang up around the development of hi-fi and video equipment.

APPOINTMENTS

J. Bibby & Sons makes changes

Mr Leslie Young is to relinquish his post as chief executive, but will continue as chairman of J. BIBBY AND SONS. **Mr Peter Wood**, currently managing director of the agricultural group, will succeed Mr Young as chief executive. **Mr Ian Smith**, chief executive of the feeds and seeds division, will succeed Mr Wood as managing director of the agricultural group, while retaining his responsibilities for the feeds and seeds division. All changes are from July 1 next year.

★

Mr Roger Swift has been appointed managing director of UNITED NEWS SHOPS.

★

Mr Ian H. Macdonald will join the boards of CRESCENT JAPAN INVESTMENT TRUST, and New Tokyo Investment Trust, on January 1. He is chief general manager of TSB Scotland.

★

Mr John H. Wood, who joined the board of WALTER G. BIRCH (BUILDERS), Harrogate, in *1980, has been appointed managing* director in succession to **Mr W. Alan Birch** who now becomes chairman.

★

Lord Pennock, chairman of BICC, **Mr A. Powis**, chairman and chief executive officer of Noranda Mines, and **Sir Anthony Tuke**, chairman of RTZ have accepted invitations to become honorary presidents of COPPER DEVELOPMENT ASSOCIATION. **Mr Eduardo Llosa**, secretary-general of the Intergovernmental Council of Copper Exporting Companies (CIPEC) has been appointed vice-chairman of CDA (UK) following the resignation of Mr E. Olivares.

★

Mr Norman Simpson has been appointed director of finance and ***Mr Alan M. Young****, director of* projects at JOHN BROWN ENGINEERING.

★

Mr Colin Bennett has joined the board of OSCAR FABER CONSULTING ENGINEERS.

★

OLYMPUS OPTICAL COMPANY (UK) has appointed three senior managers to board level. **Mr John McDowell**, general manager marketing, is appointed marketing director, together with **Mr John Batley**, from general manager finance to finance director and **Mr Tony Ransley**, who was previously general manager administration, now becomes administration director.

★

Mr Keith Jacobs, marketing director of Birds Eye Walls, has been appointed chairman of the Government's ADVISORY COMMITTEE ON ADVERTISING. The appointment is for a period of five years. Mr Jacobs succeeds **Mr Gerry Draper**, former commercial director of British Airways, who completed his term of office earlier this year.

★

Mr Frank J. Zeman has retired from GLENDINNING ASSOCIATES INTERNATIONAL after seven years in the London office, as president. **Mr Edward L. Wier** replaces Mr Zeman as president of the international division.

★

Mr Patrick Quigley, who joined the NATIONAL BEDDING FEDERATION four years ago, has been appointed chief executive.

★

Mr John Foulkes, managing director of the Walls Meat business of Unilever, has been appointed chairman of the board responsible for the frozen and chilled interests of IMPERIAL FOODS, which comprise the businesses of Ross Foods and Young's Seafoods. On February 1 Mr Foulkes will succeed **Mr Brian Cookson** who has been chairman and managing director of Ross Foods since 1973 and chairman of the joint board of Ross and Young's since its formation in *September this* year. Mr Cookson will relinquish his executive responsibilities in February, but he will remain a director of Imperial Foods. Mr Foulkes will also become a director of Imperial Foods on February 1.

★

Mr Michael Mander is appointed managing director of THOMSON INFORMATION SERVICES, magazine, directory and data communications group, from January 1. He becomes chairman of International Thomson Publishing of which he has been managing director and chief executive since 1980. He will be succeeded as managing director and chief executive of ITPL by **Mr Malcolm Gill**, managing director of Thomson Business Magazines.

★

BCL has appointed **Mr Alan O. Collinson**, a main board director, as general manager OPP. He has responsibility for the OPP division's operations at BCL Shorko Films Swindon, which now becomes the HQ for BCL's OPP division, and at Shorko SA Mantes, near Paris, following the recent agreement to acquire a controlling interest in Rhone Poulenc's OPP business. He is also responsible for the company's involvement in Shorko Australia. He joins the OPP division after 3½ years managing the BCL Group converter division activities worldwide.

★

WANSDYKE SECURITY has appointed **Lord Erskine of Rerrick** to its board. Wansdyke Security is a wholly-owned subsidiary of the Bath and Portland Group.

★

Illingworth Morris has a new chairman

Mr Donald Hanson, chairman of ILLINGWORTH MORRIS, is stepping down in favour of **Mr Alan Lewis** who has been deputy chairman and chief executive since September and controls 55 per cent of the ordinary issued share capital of I.M. Mr Hanson will remain on the board of I.M. and will continue as managing director of Woolcombers (Holdings) and associated companies.

★

Mr Colin MacGregor, regional Director of PA MANAGEMENT CONSULTANTS in Scotland and the North of England, has been appointed to the company's national board. Mr MacGregor, who has been PA Management Consultants' regional director since 1979, previously worked with IBM in Greenock where he was in finance planning and accounting management.

★

Lord Brabourne has been appointed chairman of COPYRIGHT PROMOTIONS. Lord Brabourne is a director of Thorn EMI and Thames Television. Mr Trevor Passmore has resigned as non-executive director and has been *appointed* a consultant.

★

Mr R. N. Thomas has been appointed managing director of W. H. SMITH DO IT ALL (the group's do-it-yourself chain). He was retail distribution divisional director.

★

MARTIN THE NEWSAGENT has appointed **Mr Bill Mitchell** as personnel director from January 16. He joins from Associated Dairies Group where he was director of group personnel.

FINANCIAL TIMES SURVEY
Thursday December 15, 1983

Cable and Satellite TV

The foundations are now being laid for the new architecture which will carry TV into the 1990s. The cable and satellite developments may mean a radical restructure of the present system of worldwide broadcasting

Into the era of 2001

THE AWARD of the first 11 new-style cable television operation franchises and the publication of the draft Cable Bill mark the passing of cable in the UK from planning to actuality.

What has now been set in train by cable and satellite developments in tandem may be nothing less than a total, if long-term, recasting of the traditional pattern of UK broadcasting.

A similar, if less dramatic process has been triggered in the rest of Europe, also.

BY REX WINSBURY

This process has within it the following elements:

1—Substantial re-regulation of television broadcasting.

2—A breaking down of the BBC-IBA duopoly that has governed UK broadcasting since 1954.

3—Further dilution, tantamount in due course to abandonment, of the concept of public service broadcasting.

4—A shift towards subscription-based TV services, as opposed to advertising based or tax (ie licence fee) based services.

5—Diversification of the sources and distributors of programmes.

6—Diversification of the ownership of the means of distribution.

7—Convergence of entertainment TV and business information over the same networks.

8—Internationalisation of television.

Although many believe the contrary, it would be surprising if cable and satellite, taken together, left much of the 1983 structure of UK TV intact in, say, 15 years time. (The same could be true for other European countries, as explained inside this survey.)

It is, of course, argued, by no less an authority than Professor James Ring, a member of the Hunt inquiry into cable broadcasting, and one of the panel that vetted the first list of cable applicants, that cable may take away only 10-15 per cent of the BBC/ITV audience: so what is all the fuss about?

Many feel that this misses the point. Such a migration to cable could in itself have dramatic effects on ITV revenues, based as they are on audience-related advertising, especially given ITV's high fixed costs. It would also weaken still further the BBC's case to remain a call upon the taxpayer's purse.

It also ignores the compounding effect that satellite TV distribution will have. It seems logical to suppose that in time the existing terrestrial transmitter network will fall into disuse, and with it the powers of the BBC and IBA to control TV distribution, to be replaced by satellites and satellite transponders owned, operated or leased by quite different organisations, whether space organisations, PTTs or private companies.

In such an environment, cable will become the natural medium of local distribution in those areas (but only in those areas) which will financially justify multiple services, entertainment and business, while DBS (Direct Broadcasting by Satellite) will offer basic TV channels to all other areas.

All of these new services will be competing for the consumer's time and disposable income: for the advertiser's budgets; and for programmes.

The commercial and institutional implications of this are substantial, and because they are also politically controversial—indeed, the government set up the Hunt inquiry to allay controversy—they are rarely faced up to in public debate. But this has been by carefully addressing cable on its own, rather than cable and satellite together.

The satellite business is in its infancy, technically and operationally. But its basic simplicity and universality will probably make it an ideal means of national and international programme distribution, and the correct perspective is to take cable and satellite together as a joint attack on, and potential substitute for, the TV status quo.

Put simply, the new architecture of television in the 1990s is now dimly visible. It is quite unlike the architecture of the present.

Part of this "new architecture" derives from the criteria by which the first 11 cable franchises have been awarded, and the challenges these pose to both successful applicants and to future would-be cable operators.

One challenge is to justify, in terms of revenues, the costs of a high-tech approach to cable. The government has, by its choice of winners, made it clear that (subject to the over-riding criterion of financial solidity) it is the high-tech approach that will win franchises.

Emphasis

The second is more specific—to show that high-tech cable has a use in terms of the non-entertainment services that cable is uniquely capable of carrying.

The present government has all along stressed its emphasis on the information technology aspects of cable: has given short shrift, in the franchise awards, to those who ignored it: and has now conferred on 11 lucky consortia the task of proving that fibre optic cabling, carrying inter-active voice and data services will, in the medium term at least, prove economically viable.

Satellites pose their own shorter-term questions. One is about power. Is the high power of transmission planned for the Unisat satellite that will carry the two proposed BBC DBS channels, really necessary? Will there be, after another five years of technical advance and cost reduction, any valid distinction left between DBS and non-DBS satellites?

If and when the UK has its permitted five DBS channels, of whatever power but almost certainly specialised as between films, sport, music and so on, what of the four terrestrial channels we have now?

Will they, along with their transmitters and their quaint old fashioned all-things-to-all viewers programme schedules, vanish into that special Reithian limbo reserved for the BBC Home Service and its heirs?

These questions lie one within another, like a Russian babushka doll. Inside them are yet further questions. One is the extent of U.S. ownership of British television. Several U.S. cable operators, including one of the very largest, American Television and Communications, a subsidiary of Time Inc, have been allowed a substantial, though far from dominant, stake in some franchise awards. How far will this process go?

U.S. film producers and distributors also figure largely in the proposed premium film channels for UK cable. What impact will this have on the policy of quota limitations on non-UK programming on UK television? Will it mean devising entirely new ways of sustaining native production talent, other than by (in effect) import quotas which would have to apply as much to Indian films as to U.S. films?

In retrospect, the cable-satellite revolution, now at its inception, will probably be seen as the logical outcome of the process set in train back in 1954, when the BBC monopoly of UK broadcasting was broken in favour of a plurality of approach—a plurality of two to start with, but carrying with it the seeds of far greater plurality.

It is not a process that everyone welcomes, still less recognises. But failure to face up to its implications, carries its own risks. It will be important to preserve through the changes (for example) substantial and impartial news coverage; some minimum standard of taste that does not at the same time infringe the individual's liberty to watch what he chooses in the privacy of his own home: domestic creative talent: the proper development of business uses of cable.

But these values may need to be expressed by radically new means. The Broadcasting Act of the year 2001, the year in which the IBA's charter is now to expire thanks to an extension clause in the new Cable Bill, should make particularly interesting reading. Stanley Kubrick may need to draft it.

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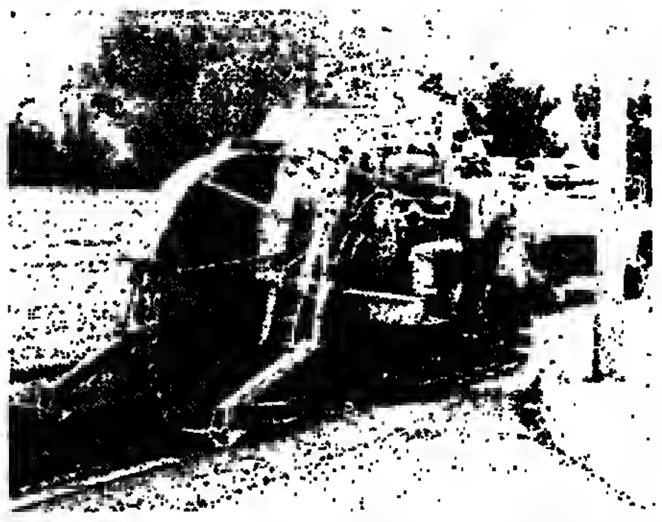
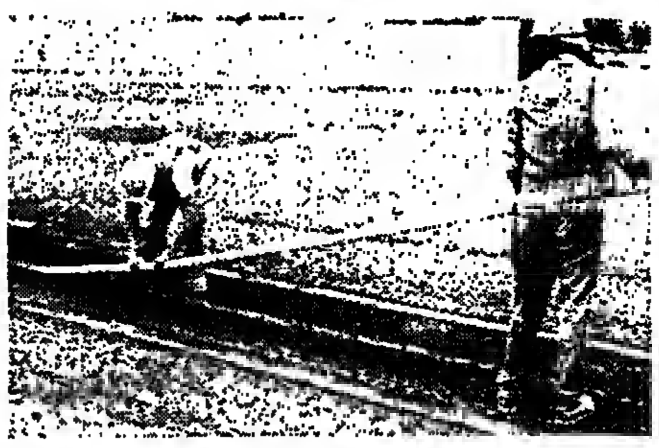


In Britain, Cabletime is developing the technology with the Water Research Centre to use the sewer infrastructure for cable installation, for both cable TV and data transmission networks.



TECHNOLOGY AND TERMINOLOGY

Guide to the new media

A NEW terminology is entering the language as cable and satellite television get under way in Britain. The following glossary provides a plain person's guide to how the new media work and explains some of the main concepts which surround them.

First, an outline of the main subject matter:

Cable Television: A communications system that delivers television programmes and, in modern systems, a wide range of telecommunications services via a cable which, in this country, is expected to be laid in the ground in ducts. The last part, the cable drop into the home, may be overhead.

Satellite Television: Television programmes may be transmitted via satellite (i) to cable operators for distribution over the cable network; and (ii) directly to the home (Direct Broadcast by Satellite—DBS).

In both cases, the signals will be picked up by a dish aerial. But the small dish that would be practicable for a home subscriber to install in his garden or attach to his house requires the use of more powerful satellites. DBS will also feed into cable systems.

● **The A-Z of cable and satellite TV:**

Addressability: the ability of cable operator to address an individual subscriber's code, contained in the TV set-top device, so as to authorise pay-TV and basic services or to cut off non-paying customers.

Amplifier, repeater: equipment placed along a cable network (co-axial or fibre optic) to amplify the signals which attenuate (weaken) as they travel. Fibre-optic cable needs far fewer amplifiers.

Bandwidth: a measure of (i) the amount of the spectrum used by a type of communication. A telephone transmission occupies a bandwidth of 3000 cycles (3KHz) and the normal TV channel 8 million cycles (8MHz); and (ii) the capacity of the communications system. A cable system might have the capacity of 400 MHz—in theory 50 TV channels, in practice probably 30.

Broadband, wideband: describes a communications system (for instance, cable) which can carry a wide portion of the spectrum and, therefore, all broadcasts and a variety of other services.

Cable Authority: the statutory body being set up by the Cable Bill, now going through Parliament, and which will award franchises to cable operators and supervise cable services.

Cable franchises: cable operators will be awarded franchises to run cable network services over areas of up to 500,000 homes for a period of eight years. The 11 interim franchise-holders can cover areas of up to 100,000 homes and for 12 years.

Cable licences: cable providers will be granted licences for 20 years for installing switched-star systems and 12 years for tree-and-branch, extendable to 20 if switches are later installed.

Cable operator: the company responsible for assembling and marketing a package of services offered to the public over a cable network.

Cable provider: the company responsible for providing and maintaining the physical system. This may sometimes be the same company as the cable operator.

Cabletext: text services on a cable system similar to teletext—Ceefax and Oracle—on BBC and ITV, but with space for more pages and with quicker access.

C-MAC/E-PAL: rival colour and sound coding systems for DBS television. Britain has adopted C-MAC, developed by the IBA, in preference to E-PAL, which was being developed by the BBC. It has been hoped that Europe would harmonise standards.

Co-axial cable: the traditional type of cable with a central conductor made of copper or aluminium.

Decoder, de-scrambler: the subscriber's TV set-top box which decodes (or de-crypts or unscrambles) TV signals that have been encoded (scrambled or encrypted) to avoid unauthorised use. With a switch, TV signals will not need to be scrambled.

Dish: outdoor aerial or antenna mounted with a clear view of the satellite to pick up television signals.

ECS (European Communications Satellites): A series of satellites, the first of which has been launched with two transponders allocated to Britain. Run by Eutelsat, the pan-European organisation set up to manage communications satellites by the European Space Agency.

Frequency spectrum: a continuous range of frequencies of electromagnetic radiation (using oscillating electrical and magnetic energy which can travel through space), over different areas of which various types of communications operate. These areas are generally allocated by international agreement.

Head-end: the "start" of a cable network where signals are received by various forms of transmission (off-air broadcast, satellite, microwave link), then processed and distributed, together with local video programmes, along the network.

Hub: a secondary head-end used at a remote part of a large cable system and connected to the head-end by a super-trunk. It operates as a new "start."

Hunt Report: published in September 1982 by an independent inquiry into cable, set up by the Government and chaired by Lord Hunt of Tanworth. The main thrust of the report is now Government policy.

Intelsat (International Telecommunications Satellite Organisation): with more than 100 member countries, it relays a variety of telecommunications, via several satellites, between and within countries. Transponders leased by British Telecom and Mercury are likely to distribute programmes to British cable systems.

Interactive services: two-way services, available to a high degree with switched-star cable systems, whereby the subscriber can communicate with the head-end or other subscribers. Likely to be used for home banking, shopping and emergency services and by businesses.

Microwave links: line-of-sight high-frequency transmission of signals from one ground point to another that have line of sight.

Multiple System Operator (MSO): a cable operator with several systems.

Must-carry: the Government has said that cable operators must carry existing broadcast and future DBS channels.

Narrowcasting: Transmitting a specialist cable channel to a precisely-defined audience, perhaps based on a specific interest or hobby; possible on a multi-channel cable system.

Off-air: reception of broadcast TV signals transmitted through the air.

Optical-fibre cable: cable made with a core of glass or plastic which will largely replace the cheaper coaxial when the price comes down. It can carry limitless bandwidth, is immune to interference from outside signals, and has very low loss of signal.

Pay TV, pay-per-view, premium channel: television programmes, on cable or satellite, which must be paid for in addition to the basic subscription package of programmes.

Programme provider: the organisation responsible for providing programmes (or a channel) to a cable system.

Switched-star: the most modern cable system design, with the signals sent down trunk lines to switching centres, from where a star of lines radiates to subscribers. The final link carries only three or four channels since channel selection is carried out at the switch under instructions from the subscriber. The switch allows for many interactive services. The electronic componentry is at the switch rather than the subscriber's home.

Star: any star-designed system; often used to refer to a non-switched system which still functions as a tree and branch but can be easily upgraded.

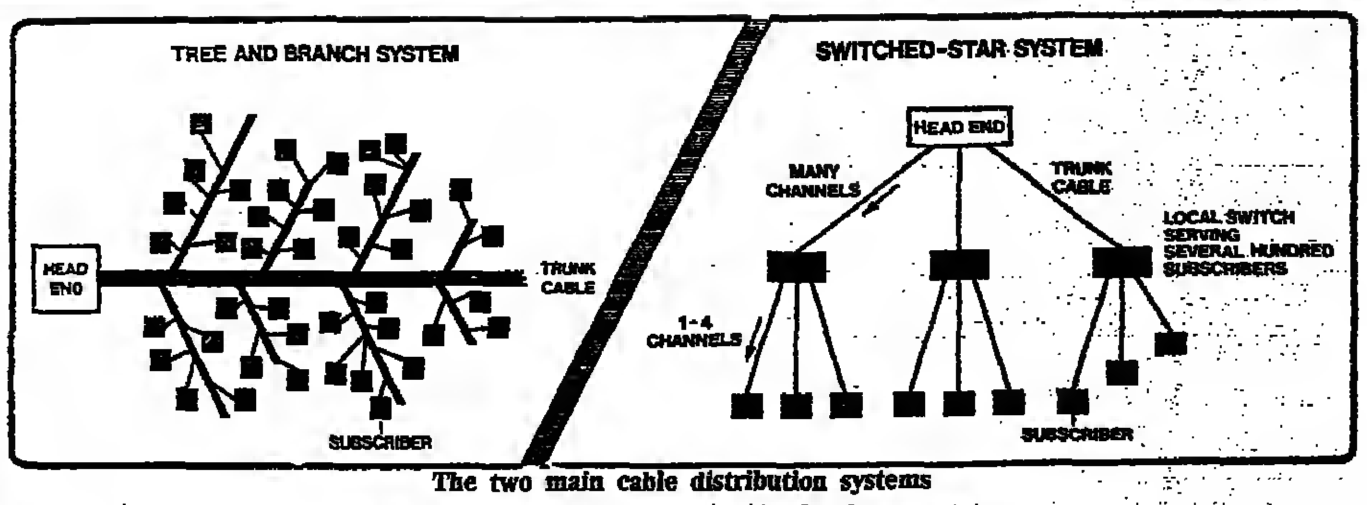
Tiers: a basic tier is the package of services received by a viewer for his basic subscription. There may then be a more expensive "extended basic" tier and also premium channels.

Transponder: the key equipment on a satellite which receives and transmits signals at a high frequency and, most important, at a certain power—perhaps 20 watts for sending programmes to a cable head-end and 200 watts for DBS home reception. A satellite may carry several transponders, each of which usually provides one TV channel or various telecommunications services.

Tree and branch: the traditional cable system design, with all services (the whole bandwidth) being available to all subscribers at any one time. The subscriber uses a set-top device to choose channels and to decode signals for which he has paid. The system, having little spare handwidth, allows for little interactivity.

Unisat: a consortium of British Telecom, British Aerospace and GEC which will manage the satellite likely to deliver two BBC DBS channels from late 1986.

Peter Elman



The two main cable distribution systems

THE QUALITY OF PROGRAMMES

Costs: a crucial issue

THE QUALITY of programmes and how cheaply they can be produced is absolutely crucial to the viability of multi-channel cable television in Britain, at least until business and interactive services start to bring in a significant portion of operating revenue.

The consumer has to be persuaded to pay something in the region of £15 a month, for around eight or 10 basic channels plus a premium film channel.

The explosion of choice at a price compares with a monthly charge of around £3.80 for the colour television licence which pays for BBC 1 and BBC 2, plus four national radio networks, backed up in many areas of the country by local radio.

Together with two "free" network channels on ITV, many believe the British consumer already receives some of the best television in the world from signals which cover almost the entire country with good quality pictures.

By trying to offer something new the cable programme makers face a problem familiar to all those who have introduced new technologies and new services.

In order to be able to afford to offer high quality programming they will have to attract a significant audience. But in order to win that audience in the first place they will have to spend considerable sums in advance to try to create a market which no-one knows for sure really exists.

The virtuous circle can only be broken by programme companies putting a lot of money "up front" in the hope that marketing of what is a new untried consumer product on the doorstep will be successful and as much as 35 per cent of homes passed can be signed up.

Consortium

Market research has produced contradictory advice on how much the consumer is prepared to pay. It is also ambiguous on whether the high incidence of video recorders is evidence for further unsatisfied desire for more choice or competition which already satisfies that appetite.

The clear point that does emerge from the research is that the one thing that people are most likely to pay for is a premium film channel.

Three large groups are planning to address that market.

The first in the field was The Television Entertainment Group, a consortium put together by Goldcrest Films and Television (which along with the Financial Times, is part of the S. Pearson Group) and Home Box Office, the most successful programme provider for the U.S. cable industry; Colombia Pictures and Twentieth Century Fox. CBS recently withdrew from the consortium.

Mr Don Cruickshank, director of Goldcrest Films and Television: "We are confident of the future of the new media. Goldcrest is eager to support the Government's plans for cable and satellite television in Britain"

The Entertainment Group's channel — as yet without a name — was rapidly followed by The Entertainment Network (TEN), which brings together Plessey, Rank, and Visionhire in the UK with UIP Pay TV of the U.S.

UIP is itself a consortium of three: MGM, Paramount and Universal Pictures. Between them, the studios claim to have produced 60 of the 100 films ranked all time gross revenue winners and the archives contain 11,500 titles.

The third rival is Thorn EMI, with a film channel called Premiere — part of a significant push into the market for cable programmes by Thorn which will have a solid local base to build on because of its successful franchise applications in Swindon and Coventry. Thorn-EMI is also planning a children's channel, called Jack in the Box.

The three rivals face a series of problems which may reduce their number to two and cost someone a lot of money.

The number of high-quality films suitable for premium film channels is strictly limited and the deals with major studios, even when they are shareholders in a consortium for the UK market, involve non-exclusive deals.

The three competing film channels may, therefore, have many films in common and the battle could come down to a marketing and packaging one.

Few, if any, of the 11 new franchise holders are likely to be operating before mid-1985 and the market will be created next year on traditional four channel cable systems cleared of traditional network broadcasting. This should give an early advantage to TEN on the cleared cable systems of Rediffusion and Visionhire.

Rationalisation of the market for a pop music channel has begun already with a merger between Yorkshire Television's MusicVision and the Virgin group's Cable Music. The contest now is between that new company and Thorn's Music Box.

In the sports field there is a straight match between Screen Sport and CSL to provide national sports channels.

Mr Robert Kennedy, managing director of Screen Sports, is looking at such significant minority audiences as horse racing enthusiasts in his programme plans with the possibility in the longer term of interactive betting.

General entertainment will be provided by Rupert Murdoch's Satellite TV which will be providing five hours of programming a day from January 16. This will increase to eight hours a day by April.

Satellite TV has already reached deals with three of the existing operators and more are considered likely.

On the news front, the story has not broken yet. Individual operators will probably produce local news programmes, with the help of local newspapers or radio stations. National continuous news programmes for the UK and European Cable are being seriously considered by the BBC together with Visnews, the International television news agency, and ITN together with the independent counterpart of Visnews, UPITN. But the plans in each case have so far only reached feasibility studies.

Several of the successful franchise applicants are believed to have specified the performing arts channel British Cable Programmes set up by the president of the Liberal Party Mr John Griffiths. Some of the others have promised an arts channel without being specific.

Mr Griffiths has ambitious plans to use provincial performances of quality to put together a relatively timeless channel which will not involve the extra expense of satellite delivery.

Wyvern Television of Swindon is also planning an education channel complete with morning business briefings.

Thorn-EMI is also intent on taking a chance with video games on cable. W. H. Smith, which has an agreement with The Games Network of the U.S., is another competitor in the field.

One of the successful bidders for a franchise said recently however, that he regarded the offerings so far as "meagre."

When the programe plans of all the would-be moguls of cable have been given their due consideration, the remorseless arithmetic remains.

The BBC spends an average of £200,000 an hour for drama and the ITV companies probably pay even more.

Cable operators, certainly in the early days, will not be able to spend much more than £2,000-£5,000 an hour.

Cable television will not, indeed, be "wall-to-wall Dallas." That would be too expensive.

It remains to be seen whether the programmes that the new companies can afford will be of high enough quality to keep subscribers paying month after month, and how many of the UK programme-providers will be able to stay the course to really find out whether a significant market exists or not.

Raymond Snoddy

STOCK MARKET'S VIEWPOINT

Investors show more caution

IN 1982 and early 1983 the prospect of cable TV coming to the UK was enough to send the share prices of some of the obvious participators moving ahead rapidly.

But in recent months the enthusiasm in the stock market has cooled rapidly. Indeed, when last month the Government announced a surprise list of winners and losers in the race to win a pilot area licence, with one notable exception, individual share prices hardly moved.

The more cautious assessment of cable's prospects is due to a re-assessment of the likely financial returns from the industry, based largely on the experience in the U.S., where the new generation of cable companies have found the going tough.

In the UK there is now a widespread recognition that the pay-off for investment in cable will be long-term. At this stage the response of UK households to cable is still essentially unknown—with small-scale tests and market surveys indicating resistance above quite low monthly subscription charges—so investment in cable is seen as risky.

At a time when many companies are switching their business base from capital-intensive operations towards those which have relatively modest capital requirements—and, often, much better returns—cable involves very high capital expenditure. This is required to put in the cable networks, from which the revenue return builds up slowly.

It will take some years to push up the necessary penetration of households, and even longer for the income stream to be boosted as additional services, such as data communications, are added to the base load.

What do the sums look like at this stage?

It is estimated that it may cost about £500 to cable up each home in a licensed area with the sophisticated switched star system which the Government favours. The cheaper and less advanced tree and branch system might cost about £300 a home to connect.

On the assumption that 50 per cent of households might subscribe to the service in a typical area of 100,000 households, the capital investment in the early years for cabling such an area from scratch with a sophisticated system might be about £25m.

The return on this investment will depend crucially on what level of subscription the operating companies can charge. Here the early signs are unpromising. According to a recent survey carried out by AGB, the television audience research group, in 10 of the 11 areas chosen for pilot licences a rock-bottom subscription charge of £7 a month would only attract 4 per cent of the total potential number of subscribers.

Example

At £9 a month, there would be a 36 per cent take-up; at £11, 26 per cent; and at £13, 18 per cent.

The initial optimum income on this basis would be little better than £3m a year, a return on the £22m of capital that would not even cover interest charges, after operating costs. The take would move up as new services are bolted on, with AGB estimating a total income of £16.50 a month from each household and an annual revenue of about £7.25m.

If operating costs, including the price of programme material, is estimated to absorb half of this revenue, the return on capital invested would emerge at a less-than-compelling 16.5 per cent, after a delay of some years. No wonder the financial markets and the interested companies are looking at this area of investment with great caution.

Given this background, it is no surprise that cable is of interest, broadly speaking, to two kinds of business group:

● The first is large companies with plenty of tax shelter for capital investment. These want to run and instal their own cable systems.

● The second group are smaller operators interested in operating a system provided by British Telecom or Mercury.

For the first group, given the length of time required to obtain a return on investment, the 12-year franchise period for operators is extremely tight. It allows an effective period of only seven or eight years for debt finance, which is not very long given the slow build-up of service provision.

They will only partially get round the problem by also being the network owners, with 20-year licence periods for switched star networks. A licensee who loses his operating franchise in year 12 is placed in a difficult position.

The other problem relates to taxation. The major companies can only contemplate investment on the basis that they will receive full 100 per cent first year capital allowances, which in practice can reduce the initial cost by up to half.

However, within days of announcing the conditional choice of 11 applicants for pilot licences last month, it emerged that the Inland Revenue has reservations about accepting the new cable investment in "ducting" as capital expenditure.

For two of the 11 companies at least, Thorn EMI and Ladbroke, this must introduce a major element of uncertainty. Certainly they may be reluctant to press the "go" button until the tax position is regularised, which may not be until the next Finance Bill.

BT has an advantage in providing cable since in many cases the ducting is already in place, and substituting the cable carried is a relatively cheap process.

This should make up for an inability to use all the capital allowances generated. But the smaller operators which will be interested in leasing cable capacity from BT have a major problem in the build up phase when there could be a large negative gap between income ad the rental charged by BT.

Support

The smaller operators will not have physical assets to use as security, so the banks will probably be unwilling to advance loans to support the loss-making period. The implication here is that BT—or Mercury—will have to provide strong support for these players in the early stages.

Indeed, there are strong signs of this approach in the pilot licence applications. BT was cable provider in five of the 11 provisionally successful applicants, and in four of these it also took a stake in the operating consortiums. Only in Coventry is it providing cable to Thorn EMI as operator, a company able to look after itself.

Meanwhile, the real surprise of the Government's provisional list of pilot licences is some of the names excluded. Of three companies which had been expected to be major players in cable, Electronic Rentals won none of its franchise applications, and neither did Selec TV.

Rediffusion obtained only one of its four applications, for Guildford, the smallest of its proposals.

David Freud

CABLE AND SATELLITE TV III

U.S. CABLE OPERATORS AND MAJOR MARKETS

Cable operators	Parent company	Year-end 1982 subscribers (m)	1982 operating income ($m)	% change from 1981	1982 revenue ($m)	% change from 1982	Major markets served
American Television and Communications	Time Inc.	2.1	166.0	+35	864.0	+39.8	Memphis; Miami Valley, Ohio; Topeka; Corpus Christi; Pittsburgh suburbs
Comcast Cable Division	Comcast	0.3	13.1	+52.1	47.8	+73	Kentucky; Maryland; Michigan; Mississippi; New Yersey; Pennsylvania
Cox Cable Communications	Cox Communications	1.29	37.7	+23.6	261.5	+38.6	San Diego; Norfolk-Portsmouth-Virginia Beach; New Orleans suburbs; Santa Barbara; Omaha
Group W Cable	Westinghouse	1.8	52.3	(−33)	726.2	+68.5	Seattle; Manhattan; Santa Monica; El Paso; St Petersburgh
Storer Cable	Storer Communications	1.16	61.4	+64	222.6	+67.7	Northern Dade County-Southern Broward County; Louisville suburbs;
Tele-Communications	Tele-Communications Inc.	2.2	58.5	+95.1	265.6	+58.4	Sarasofa; Charleston; New Haven Serving over 435 cable systems in 43 states
Times Mirror Cable Television	Times Mirror	0.7	20.0	(−14.0)	125.0	+21.0	Serving over 67 systems in 16 states Tulsa; Idaho; Texas; Wyoming;
United Cable TV Corporation	United Cable TV Corporation	0.5	35.9	+44.8	99.8	+58.9	Illinois; New Mexico; Michigan Pacific Northwest; Ohio; Long Island;
Viacom Communications	Viacom, International	0.6	19.3	+22.8	112.9	+32.5	Nashville; Milwaukee; Mountain View
Warner-Amex Cable Communications	American Express (50%), Warner Communications (50%)	1.2	(46.0)	n.a.	308†	+74	Houston; Cincinnati; Pittsburgh; Columbus; Akron

† Consolidated revenue.

Research: Rivka Nachoma.

U.S. cable programmers battle for survival

CABLE TELEVISION in the U.S. is "growing up." The industry, and the programming sector in particular, is in the midst of a shake-out.

This has placed a premium on efficient and effective management of existing cable systems, prompted renewed emphasis on the "packaging" of cable systems and led to a fierce battle for survival among many of the programmers.

By PAUL TAYLOR in New York

While the industry can already boast some notable winners, it has also led to some spectacular failures — even among the industry giants—and this, in turn, has at least temporarily soured Wall Street's perception of cable in the U.S.

Cable now faces new competitive challenges from other forms of programme distribution, including the first commercial direct broadcast system (DBS), introduced last month.

While this competitive threat is generally considered to be exaggerated the major task facing the U.S. cable industry today is to deliver on the promises made by early cable pioneers when cable was in its infancy and the dream was "to wire America."

Since then, the satellites which arrived in the mid-1970s have revolutionised the industry, transforming it from a system to improve television reception into one of the principle vehicles for the "video revolution."

But the transformation has not been without its problems. High interest rates, soaring construction costs and slower-than-expected revenue growth—particularly advertising revenues—have ushered in a new period of realism.

However, as growth in the U.S. has slowed, new opportunities have opened up elsewhere in the world, particularly in Europe. U.S. cable companies are well represented among the companies which recently won the first franchise bidding round in the U.K.

They see the UK and the rest of Europe as a chance to "get in on the ground floor" of a new wave of cable expansion which could bolster existing revenues and offer the opportunity to learn from mistakes made in the U.S.

Three major groups of companies have emerged in the U.S. cable industry. The equipment suppliers, such as Oak Industries and General Instrument, the cable system operators such Warner/Amex and Tele-Communications, and the programmers, like Viacom International, Time and Turner Broadcasting. In some cases, like Warner/Amex, the companies are both system operators and programmers.

Eight years ago there were fewer than 10m cable subscribers in the U.S. Today an estimated 31m U.S. households, or about 37 per cent of the total TV households have signed up for cable.

Despite a slowdown in the pace of basic service, subscribers growth the number is growing at around 330,000 a month, according to Paul Kagan, a west coast cable industry analyst.

Problems

Nevertheless, despite this phenominal growth the industry does have problems. Indeed, the rapid pace of growth has been one of the main causes, say industry experts.

Cable system operators—believing they were building "money machines" became overconfident and went on a building spree in the late 1970s, entering fierce bidding battles for new franchises.

Local authorities became ever more demanding. In some cases, they asked for, and received, promises of free local television studios.

As a result, construction costs soared at a time when many projects were being financed with borrowed funds tied to escallating interest rates. Five years ago it cost between $300 and $400 per subscriber to build a new system. Today, the figure in some of the big cities is closer to $1,000 a subscriber.

The economics of building new systems had changed radically. As a result, a number of major system operators have pulled out of the franchise war.

Most others, like the largest system operator, Tele-Communications, are concentrating on improving existing systems or on acquisition as a means of growth.

While Wall Street analysts, such as Edward Dunleavy of Salomon Brothers, believe that most big city systems will still be built, they also believe there will be a pause in construction and extensive renegotiation of some existing, but unbuilt, contracts.

In order to improve profitability, cable system operators need not only to retain subscribers—there is evidence that the disconnect rate or turnover rate among subscribers is in some cases unacceptably high—but also to bolster revenues by persuading subscribers to take the extra premium services.

No-frills service

Currently, the average cable subscriber pays about $20 a month for the basic no-frills service. To support construction costs for new systems some analysists suggest monthly revenues of around $40 a month per subscriber are needed.

In order to achieve this, cable operators are emphasising the incremental revenues they can obtain by persuading subscribers to take the premium channels like HBO which currently has around 18m subscribers.

Some operators are mounting advertising campaigns to win new premium channel subscribers. Others are starting to package services including, say a basic 30-channel service, plus one or more premium channels or experimenting with one-off "pay-per-view" events like major boxing matches for which the subscriber pays an additional fee.

Around 18m U.S. cable subscribers currently pay extra for one or more of the premium channels which often cost as much as $10 a month. For each dollar of additional revenues these services bring in, the cable operator keeps around 65 cents. It is easy, therefore, to see why these "hang-on" services are seen as the key to improving profitability within the operating sector of the industry.

Clearly, the system operator's success in persuading subscribers to take additional services could also have a dramatic impact on the premium channel programmers themselves.

Among the premium channels, only HBO and a similar channel called Showtime, are profitable.

Despite this a number of new channels, including the Playboy Channel and the Walt Disney Channel, have been launched this year and are generally expected to carve out specialist niches in the market—and thereby ensure survival.

The problems in the advertiser-supported section of the cable programming industry are perhaps the most severe. Very few are profitable.

Most Wall Street and industry analysts expect the process of consolidation to continue resulting in a small group—perhaps around half a dozen—profitable advertiser supported channels.

One of the main reasons for the consolidation phase among these channels is the unexpectedly slow growth in advertising revenues. In part, this reflect the relatively low audience for all but the largest channels.

Total advertising revenues for cable this year are expected to total about $350m—a fraction of the total for the main network programmes—and around half that will go to Turner Broadcasting which aside from running Cable News Network also operates WTBS, one of the largest advertiser supported channels with 26.6m potential viewers.

In order to make up for the lack of advertising revennes, cable programmers, led by Turner Broadcasting, have begun to charge cable operators a per-subscriber fee for the services — thus broadening their revenue base.

Cable programmers—but not cable operators — could also benefit from the advent of alternative distribution systems, such as DBS.

DBS uses a satellite to beam programming direct to roof-top dishes on subscribers homes. The first commercial DBS service was launched last month by United Satellite Communications, a joint venture between General Instrument, the Prudential Insurance group and a group of private investors.

About half a dozen companies and consortia have plans for DBS services which could eventually reach around 15m subscribers. However, DBS is limited by the relatively cumbersome and expensive roof-top dishes and restricted number of channels.

Thus, for the moment, DBS and other delivery systems which use satellites and roof-top dishes are therefore considered unlikely to pose a serious threat to cable. Instead, they are expected to attract subscribers in those areas — such as rural regions and some city centres — where cable is unavailable.

The imminent introduction of new high-powered satellites capable of offering more than five channels and using smaller roof-top dishes could change all that, however. The competitive threat from DBS could then become the next realy big challenge facing cable.

Meanwhile, most analysts expect cable in the U.S. to recover from its recent problems.

In many senses, cable in the U.S. is entering a new era. Professional managers are replacing the entreprenurial pioneers and a premium is being placed on profitability. U.S. cable companies may no longer be the "child wonders of the home video world." But as Ellen Berland Gibbs, an analyst with Goldman Sachs notes: "Even the gawkiest of adolescents can turn into the most attractive of young adults."

U.S. non-cable pay TV subscribers

('000)

Year	STV (Cable alternatives)	MDS (Cable alternatives)	SMATV (Cable alternatives)	Basic cable
1976	—	43	—	10,577
1977	20	71	—	11,457
1978	145	146	—	12,417
1979	399	278	—	14,261
1980	798	447	—	16,635
1981	1,541	530	—	20,308
1982	1,838	565	90	24,756

Source: Paul Kagan Associates and Goldman Sachs.

Leading U.S. advertisers-supported cable services

Service	Owner	Homes reached (m)
Entertainment and Sports Programming Network (ESPN)	Getty Oil	28.5
WTBS	Turner Broadcasting	26.6
CBN Cable Network	Christian Broadcasting	22.2
Cable News Network (CNN)	Turner Broadcasting	20.8
USA Cable Network	Time, Paramount Pictures and MCA	19.0
MTV: Music Television	Warner-Amex Satellite Entertainment	15.9
Nickelodeon	Warner-Amex Satellite Entertainment	13.0
Cable Health Network*	Viacom International	12.8
ARTS	ABC and Hearst	11.8
Nashville Network	Gzylord Broadcasting	10.0
The Weather Channel	Landmark Communications	10.0
Daytime*	ABC and Hearst	9.5

* These will soon merge into a single service.

Source: ICR Cable Information Service.

Growth in U.S. pay-cable subscriber units

(figures in '000)

Year	Pay-cable units: Total	Pay-cable units: Net additions	Pay-cable units as % of: Basic cable subscribers %	Pay-cable units as % of: TV households %
1975	305	—	3.2	—
1976	724	419	6.8	1.0
1977	1,310	586	11.4	1.8
1978	2,466	1,156	19.9	3.4
1979	4,295	1,829	30.1	5.8
1980	7,438	3,143	44.7	9.7
1981	12,450	5,012	61.3	15.6
1982	18,000	5,500	72.7	22.1

Compound growth 1975-82 .... 80%

Source: Paul Kagan Associates and A. C. Nielsen Company.

U.S. pay TV network

	Pay cable subscribers
Home Box Office (Time Inc.)	12,500,000
Showtime (Viacom)	4,500,000
The Movie Channel (Warner/Amex)	2,500,000
Cinemax (Time Inc.)	2,500,000
Playboy	500,000
Prism	348,000
Disney	285,000
Spotlight (TCI, Cox, Storer and Times Mirror)	250,000
Home Theatre Network (Westinghouse)	225,000

Source: The Pay TV Newsletter, June 1983.

Government encourages more private investment

UK seeks to balance priorities

IN THE past two years, Britain has moved more decisively than any other European country to encourage the private sector to exploit the opportunities offered by the development of cable television and satellite broadcasting.

Last month, the Government chose 11 privately-financed consortia to which it will offer the first, interim, franchises to build and operate cable television systems. The franchise awards are intended to maintain momentum in the industry until cable legislation is approved by Parliament next summer.

By Guy de Jonquieres

The legislation will establish a cable authority with responsibility for granting further franchises throughout the country. It will also have wide powers to regulate the cable industry and to maintain programme standards.

At the same time, planning is well under way to launch a privately financed satellite system which would transmit a direct broadcast television channel down to the British Isles and provide communications links over a much wider area, extending as far as the east coast of North America.

The project, Unisat, is a joint venture between British Telecom, British Aerospace and GEC-Marconi and will use large L-Sat satellites, built by BAe. The final go-ahead awaits a decision by the British Broadcasting Corporation, which has been authorised by the Government to operate two DBS channels from 1986.

The dawn of the cable and satellite broadcasting era has led to a good deal of public debate, excitement and some—probably extravagant — speculation in Britain. The Government has sought to present the whole exercise as a glamorous growth business, whose spontaneous development required little more than the removal of obstacles to private investment. In the words of one starry-eyed cable enthusiast: "All the Government has to do is sit back and let the cable drums roll."

In reality, the situation has developed rather differently. The economies of cable and satellite television in the UK remain fragile. It is uncertain how much consumer demand there will be for additional entertainment programmes and whether it will be possible to provide them cost-effectively.

Computer models suggest that the investment of £30m or so needed to build a cable television system will take seven years at best to recover.

Meanwhile, the BBC has hesitated for several months about signing a final contract with Unisat, which would commit it to spending almost £170m in transmission charges alone. At the time of writing, the BBC appeared set to defer the project for at least a year. Independent television companies, while cautiously enthusiastic about satellite broadcasting, appear in no hurry to proceed.

The Government has more than a casual interest in the development of both new types of media. It has invested considerable political prestige in their success. While it has publicly stressed the importance of market forces and private enterprise in the whole experiment, there has been more than a hint of dirigisme in the implementation of its policies.

Ministers have carefully vetted the first cable applications to try to limit the risk of embarrassing failures by early franchise holders, which might discourage investors. Moreover, future franchises will be awarded not on the basis of competitive bidding, but to a large extent at the discretion of the planned cable authority.

Cable and satellite are, of course, not the only methods available for delivering extra television programming. A variety of alternatives are already in use in the U.S., which involve far lower investment and hence smaller financial risks. One is so-called subscription television, which beams signals over a relatively small area in a coded form. Only viewers equipped with suitable unscrambling devices can receive the programmes.

The British Government, however, sees a wider range of television programmes as much as a means as an end in itself. An important objective of its policies right from the start has been to stimulate the development of Britain's telecommunications infrastructure and equipment manufacturing industry. It has viewed entertainment television primarily as the source of financing.

The Government hopes that Unisat will help BAe to sell its L-Sat satellites on the world market. It is counting on cable television, on the other hand, to provide a wide-band "electronic grid" which will in the future carry inter-active computer services such as home banking and tele-shopping and two-way live video transmissions.

Balancing these priorities has, inevitably, required compromises. The Government would plainly have liked all cable systems to use advanced "switched star" technology, which enables subscribers to dial up any channel at will. But many prospective system operators, with an eye to earning a profit, would prefer to use the more conventional and less expensive "tree-and-branch" architecture.

In the event, a number of the bidders selected for the first round of interim franchises plan to build "tree and branch" systems. But the Government has insisted that the ducts carrying the cable must be laid in such a way that the system can be up-graded to "switched star" status in the future.

Similarly, a balance has had to be struck between the desire of the Department of Trade and Industry to encourage private investment by subjecting programming to the lightest possible control and the Home Office's traditional concern for preserving broadcasting standards and public decency. This task will, ultimately, rely heavily on the judgment of the cable authority.

Whether the Government's vision of cable systems developing as the electronic "highways" of the future is realised will depend on more than just the ability of private investors to earn a satisfactory profit on them.

Some commentators have already argued that most inter-active information services likely to appeal to residential users can already be carried on British Telecom's existing telephone network. Its capacity will be enhanced as it is modernised to meet BT's goal of operating an "integrated services digital network" in most of the country by the mid-1990s. The only service which could not be carried as standard would be live video transmissions.

Meanwhile, ironically, some in the industry believe that cable could prove less commercially attractive as a vehicle for entertainment television and inter-active services than as a means of delivering plain old voice telephone traffic.

Mercury Communications, the independent competitor to BT, is discussing with a number of prospective system operators the possibility of using their networks to carry a local telephone service.

Though the economics are still uncertain, Mercury says that its computer models suggest that voice telephony could bring the break-even point for cable systems nearer and might contribute as much as half their net profits after ten years' operation.

● Above: Former world modern pentathlon champion Kathy Tayler gets the feel of the new Nimrod home terminal units from Racal-Oak. Kathy, herself a sports programme presenter, is looking forward to the day when an all-sport Pay TV channel is available.

● Britain's Home Secretary, Mr Leon Brittan (right): "Cabling Britain will be an investment in tomorrow's growth and jobs, and in the country's future," he says.

Strong contrasts in the European viewpoint

ALTHOUGH MOST of Europe is responding to the challenge of cable and satellite by diversifying its broadcasting structure, reactions in continental Europe differ from the UK for two important reasons. One is greater hostility to advertising, amounting in certain countries to a total ban so far on TV commercials: the other is greater hostility to U.S.-originated programming, at least in official circles.

These two factors overlay a third factor—greater emphasis than in the UK on public authorities, notably the state-owned PTT, to initiate, control and finance new forms of tele-distribution. Few European countries are following the route of the UK towards substantial deregulation of communications: therefore they are seeking to reconcile greater greater choice for the TV consumer with (in most but not all cases) continuing state control of the technical means.

The most ambitious plans in the whole of Europe are in France. The PTT is to be responsible for a large-scale investment programme based on fibre optic cabling of major cities, allied to a highly expensive test-bed experiment in Biarritz involving use of fibre optic cable for both TV distribution and video-telephones.

What adds unusual dimensions to France are, first, its launch of a fourth conventional TV channel, Canal Plus, on a subscription basis using decoders, thus pre-empting for off-air TV a role normally associated with cable: and secondly, the as yet ill-defined project for joint DBS operations with West Germany. There are now several instances in the communications field of co-operation between France and Germany (radio paging, mobile cellular radio, DBS satellite, exchange of cable programming).

Networks

Critics have already said that the French Government has set a problem for itself in authorising both a nation-wide pay-TV off-air channel based on recent feature films (to start in November 1984, and costing about FFr 120 a month for the basic service) and a national cable TV network, whose main attraction might otherwise be its film channels. Although cable will carry Canal Plus, why should the subscriber pay to get cable when he has already paid to receive Canal Plus, which will be there first?

Canal Plus will have a mix of public and private shareholders, and in terms of financial structure is the nearest analogy to cable TV in the UK. It is also an unusual project for a socialist administration to launch. Some now fear that cable will have to rely on import of many foreign TV and cable channels to provide consumer attractions.

So far, no decision has been taken, and legislation after the recent government White Paper on cable may be delayed until nearer the end of 1984.

In Belgium, the Dupuis publishing company (otherwise best known as creator of the Smurfs) has just pulled out of its proposed satellite TV channel to be distributed by ECS 1 satellite to cable systems, because the regional authority in the Flemish half of the country has not agreed to cable distribution of the channel. Belgium is still in a quandary about its cable policy. The question of what to do with the 10 ECS 1 satellite channels (low power, suitable for distribution of cable channels to cable system head ends) is exercising most European countries.

Experiments

Elsewhere, Sweden is running small cable experiments in the town of Lund (where again the effective cost of connection has had to be lowered to attract customers) and in a suburb of Stockholm, in Norway, a prominent publisher, Dagbladet of Oslo, has bought control of the two largest local cable systems, and is set to become the country's first major independent cable TV operator: Denmark has authorised a wide-band trunk network to connect its local cable systems, but programing remains a debated question: Finland has, relative to its size, substantial cable systems with a variety of imported programming: Spain is to resurrect two old but intact cable systems in Barcelona and Madrid on which to run cable TV trials: only Italy, scene of a bewildering scene-change in TV broadcasting over the past seven years, seems too pre-occupied to worry much about cable.

Through the European Commission the countries of Europe are also seeking common rules for coping with trans-border programming that does not adhere to the principles (about advertising, about taste, about programme content quotas) at present in force in the receiving country. Thus Europe is and will remain a series of separate markets for cable and satellite programming — but with the hugely important difference that (even allowing for the multiple sound channels on future satellites) the markets may increasingly be defined by language groupings (French, German, English) rather than national boundaries.

Thus the drive for common European technical standards in broadcasting equipment, for TV sets, VCRs, decoders, teletext reception, satellites transmissions, will become in time a commercial necessity too strong for existing nationalistic attitudes to resist.

In particular, the city of Paris under right-wing Mayor Jacques Chirac, is planning to run British, Luxembourg, Monte Carlo and local channels on its cable system, on a frankly commercial basis.

Even the French PTT, in Biarritz, is offering non-French channels (Spanish, Belgium, Swiss) to attract the 1,500 subscribers that it has yet to sign up. Some therefore argue that French cable will be the trojan horse for a foreign programming invasion of France at the very time when international distribution to cable systems of both Canal Plus and yet another French channel known at TV5, amalgamating French-language programming from all French-speaking countries into a unified satellite-based TV service, are meant to spread French culture over Europe.

In this complex context it remains to be seen whether the local consortia created by local authorities in each French town can provide the financial basis in terms of programming and services sufficiently attractive to consumers for local cable systems to prove viable in France.

The German approach is as uncharacteristically cautious as the French is characteristically ambitious. West Germany has authorised four pilot trials of wide-band cable TV in the cities at Ludwigshafen, Munich, West Berlin and Dortmund with the help of a subsidy out of the normal TV licence fund. Since broadcasting is under the control of the separate West German Lander or states each pilot reflects or will reflect the local political situation although in all cases the German PTT will be the cable provider.

The trial in Ludwigshafen is due to start in January and appears to be the most advanced in planning as well as the most "commercial" in its policy. But even there the latest news is that the cost of connection to the cable has had to be dropped from DM 400 to DM 125 to help attract reluctant customers.

Initiative

Munich is also reasonably advanced but of the other two trial sites, not much has so far been heard. Meanwhile, Radio Tele-Luxembourg has taken an initiative in beaming from January a special TV programme towards North Germany especially aimed at potential cable distributors—thus illustrating the potential for import of channels.

The situation in Holland and Belgium is in many ways more interesting than in Germany. These two countries already represent the most densely-cabled area of Europe—some 60 to 80 per cent of households being on cable. These systems already carry a diversity of cable channels from both local sources and from neighbouring countries, wherever the language is appropriate. But they cannot originate their own programming, carry advertising, or carry pay TV—yet. Both countries are still therefore agonising over what to do with this notional asset.

Holland has authorised its own new-style cable experiment in the province of South Limburg, for industrial rejuvenation motives as much as broadcasting policy. Three private groups, VNU, Elsevier (both Dutch publishers) and Euro-TV (associated with Belgian publishers Dupuis) have applied to run pay-TV channels based on films on the existing networks.

Rex Winsbury

Despite initial enthusiasm, there is now growing uncertainty over the future of direct broadcasting by satellites, as Raymond Snoddy reports here

Indianapolis sets the pace

LAST MONTH the citizens of Indianapolis became the first in the world to receive a form of commercial direct broadcast by satellite. Five channels including two premium film channels and a sports channel are being broadcast from a Canadian Anik satellite.

Although the service is not a true high power DBS service, United Satellite Communications, which is owned by General Instrument, Prudential Assurance and private investors say the pictures can be received with a home dish 2.5 ft to 4 ft in diameter.

Customers will pay a total $39.95 a month to rent the equipment and pay for the programmes and an installation fee of $300.

In the same month, Mr Rupert Murdoch's News International group effectively withdrew from the race to introduce a partial form of DBS and postponed the launch of the group's Skyband service until at least late 1985.

The decision to postpone which is believed to have been caused by difficulties with programming and the cost of receiving dishes, was taken despite the fact that News International had leased five transponders on the Satellite Business Systems satellite at the cost of $75m.

Major force

Comsat, the satellite communications company and the third major force in DBS broadcasting in the U.S. so far plans to launch a quasi DBS service next year aboard a modified Satellite Business Systems "bird."

Comsat, however, believes the future is in full high power DBS and has ordered two powerful "true" DBS satellites for launch in 1986.

In America, although DBS is seen as a high-risk venture there are some commercial organisations prepared to take the chance and go ahead.

In Europe, the question has become hopelessly tangled with political policy issues, industrial strategy and the search for common standards to create a unified market for receiver equipment.

As a result, initial high enthusiasm has been followed by a pregnant silence with several broadcasting organisations still enthusiastic about the advantages of universal coverage of their populations from space but worried by the costs involved.

A Franco-German company, Eurosatellite, is already building the first French satellite for direct television broadcasting, TDF-1, ready to be launched in October 1985, on the Ariane launcher.

The French Government, however, has still not announced a firm order for a second satellite which would be needed before a French satellite system could become operational.

This delay has raised doubts about French satellite policy and whether France will be able to meet its stated target of starting satellite broadcasting by 1986.

The position is similar in Germany for whom Eurosatellite is also building a television satellite. The second satellite to make a German system operational has also not yet been ordered.

In France, there is doubt on how the future of satellite broadcasting will fit in with plans for cable television and in Germany the main priority at the moment seems to be satellites for telecommunication. Ireland is looking for partners to mount a DBS service.

In Britain, which early this year appeared to be taking a lead in this technology, the uncertainties are even greater.

In March, the BBC signed heads of agreement with Unisat, a consortium consisting of British Aerospace, GEC-Marconi and British Telecom for a three satellite system. For £24m a year, for seven years, the BBC would receive two channels of DBS with one operational satellite, a spare in space and a second back up on the ground.

But as the summer wore on, unease grew within the BBC about the size of the investment and the risk. There was also the fear that the technical standard, C-MAC, recommended by the Part Committee and backed by Lord Whitelaw, the former Home Secretary, might increase the price of receiving equipment and so inhibit the birth of a new market.

To reduce the cost and the risk the BBC offered to share its satellite system with the Independent Broadcasting Authority.

The offer was to allow the independent television sector to use two DBS channels on the back-up satellite in the sky allowing it to compete with the BBC in space.

The IBA in its turn wanted one of the two channels on the main satellite—something that the BBC felt it could not agree to.

The issue became largely academic when Mr Leon Brittan, the Home Secretary, announced at the Royal Television Society conference in Cambridge in September that the independent sector could have two DBS channels if it wanted them but that it would be the channel operators, rather than the IBA who would have to arrange satellite capacity.

The BBC opened discussions with Thorn EMI to try to put together a joint venture in which the Corporation would reduce its risk and at the same time take advantage of Thorn's experience in the television rental and manufacturing market. But Thorn's conclusions on the present potential of the market were pessimistic. Mr John Sibley, the Thorn board member responsible, said he could not recommend a partnership arrangement on present information.

It now seems likely that when the BBC's Board of Governors meet today they will decide they cannot go ahead with the scheduled autumn 1986 start for DBS. A postponement of at least a year is likely until the Corporation is sure that receiving equipment will be available in volume at a price people will pay.

The BBC's decision was complicated by Home Office delay in issuing technical specifications for receiving equipment. Mr Brittan said in early September that he hoped he would be able to make an announcement by the end of that month.

So far he has still been unable to do so.

The Government has been having difficulties in defining exactly what the technical specifications of C-MAC with French digital sound should be. C-MAC is a very broad specification and it would be possible to design two different receivers, consistent with the specification but unable to receive the same signal.

The BBC believed that C-MAC receiving equipment would cost between £400 and £500—too high to achieve commercially viable market penetration.

The independent sector's view into space has changed greatly since the summer. There was a strongly held view that if the ITV companies were going to run a satellite service it had better start at the same time as the BBC.

Division

Now some companies—the 15 ITV companies are deeply split about the wisdom and desirability of DBS—think it might not be a bad idea if the BBC created the market for them.

One aspect that the ITV companies are united on is that if they are going to make the scale of investment required by DBS, their current terrestial franchises would have to be extended beyond their present expiry date in 1989.

But although the recently published Cable and Broadcasting Bill proposed that the statutory life of the IBA would be extended to 2001 to regulate the first independent sector DBS franchises, there was no mention of extending the franchises of the ITV companies which would also require legislation.

As both the BBC and the independent television sector move towards DBS decisions which could have an enormous influence on their future they will probably pay very careful attention to the Home Secretary's words to the Royal Television Society.

He made it clear there would be no Government money to bail out anyone who made a mistake on DBS.

The essence of Government policy would be "to create opportunities but not to press anyone to take them against their better judgement."

This, Mr Brittan said, applied just as much to the BBC project. "We have made it clear that we would not urge the BBC to continue with the project if it came to entertain serious doubts about its viability."

THE ARTS

Cavaceppi's studio

The Bowood Diskobolos

Bartolomeo Cavaceppi/Clarendon Gallery

Conservation versus restoration

There is a curious subject known as the ethics of conservation. The somewhat off-beat exhibition at the Clarendon Gallery on Bartolomeo Cavaceppi (until December 23) brought it to mind. It is a problem, of course, we are beset with today as our approach to artefacts from the past becomes increasingly more complex.

At one time the battle raged around pictures, in the main, and what restorers should or should not do to them. It is not a field I am qualified to pronounce upon, but the evidence of the eyes is enough. In Italian picture galleries all later restorations are removed from pictures and we are often presented with totally blank areas of panel or canvas. In general in this country a picture is made to read more forcefully as a whole.

This elementary dilemma about what it is permissible to put back has even spread now to the interiors of country houses and embassies. Does one leave the status quo, recognising that successive centuries have made their contribution, or should later accretions be torn out and the original restored? In extreme instances, even the furniture, let alone the fabrics have to be re-made. The battles raging around this topic are at present almost as fearsome as those surrounding the initial efforts to save an artefact in the first place.

And this brings me back to the exhibition on Cavaceppi, whose subtitle is "Eighteenth-century restoration of Ancient Marble Sculpture from English Private Collections." I said that the subject-matter was rarefied and it is, for we are asked to consider some 22 antique statues that came to England by way of Cavaceppi. Not only did he deal in them but, more to the point as a sculptor, he maintained virtually a factory for restoring, and even forging, them. English milords had no taste for fragments, and what we peer at are antique statues with additions and, in some instances, more addition than fragment.

No moral crisis bothered the 18th-century restorer. If something was missing, it was put back. The Diskobolos from Bowood makes the point neatly. Discovered in 1772 at Ostia it took four years to "restore." Gavin Hamilton, who found it, wrote to Lord Shelburne: "The legs and arms are modern, but restored in perfect harmony with the rest." Cavaceppi had decided that the torso was Diomede. He joined to it an antique head probably of a Gaul, and went on to place in the left hand an image of Pallas which Diomede together with Odysseus had made off with from Troy.

Looking at this exhibition one is forcefully reminded of what an appalling time scholars of classical sculpture must have, trying to discount these accretions and re-workings. The entry on restoration under the Duncumbe Diskopheros goes on for ten lines: "most of right ear, rim and lobe of left ear, nose, mouth and chin. . .right hand from wrist. . . right foot (recut ?) broken at ankle. . . the head is ancient, but did not originally belong to this figure."

For well on half a century Cavaceppi supplied collectors all over Europe with statuary of this type, besides vast numbers of casts. The English led the field as clients and this exhibition reminds us powerfully of a mental and visual make-up of the mind which is now virtually lost.

Our visual mythology is littered with European artists in the main since the renaissance as our points of reference. Up until the breakdown or destruction of the classical tradition in the west that was made up of precisely the marble images we see here. This is a sad reminder of our own ignorance. These were the most prized items in the golden age of country house building when Cavaceppi's antiquities formed the crowning glory of Holkam, Newby, Ince Blundell Hall or Bowood. Prices way in excess of those for major paintings were paid for these statues which arrived in the second half of the 18th century in hitherto unknown quantities. What is stunning too is the breadth of their geographical distribution with two major collections north of York.

Together these marbles encapsulate not only an episode in taste and interior decoration but of attitudes to the treatment of the artefacts of the past. It raises intriguingly wider issues which have yet to be explored in a general or exhibition context. For those who actually believe that seeing is believing it is a salutary lesson. For years restoration was little more than a side-line for the practising artist as any reading of van der Dort's catalogue of Charles I's collection, or the notebooks of Vertue reveal. At some time the balance changed. In an age before conservation ethics and the invention of photography there is no way of knowing what a restorer did. I still vividly remember dining with a certain nameless plier of the craft and, on admiring a charming little dog in an Elizabethan portrait, being told "Oh, I'm so glad that you like it. I put it in this morning." Cavaceppi would not only have understood but approved.

ROY STRONG

Moll Flanders/Croydon

Martin Hoyle

Be warned: the Christmas show at Croydon Warehouse is not for the children. Described as "bawdy adventures through the vibrant underside of the 18th century," this is Claire Luckham's dramatisation of Defoe's heroine. "12 years a whore, five times a wife (once to her own brother), and eight years a thief." Goody Two Shoes she isn't. What would Miss Luckham make of *Mother Goose*?

A company of six, two doubling on a variety of musical instruments, people Mike Bearwish's lowering townscape with thieves, parsons, highwaymen and assorted lechers. A Brechtian approach to the audience sets the scene in Queen Anne's London, the centre of burgeoning capitalism where the Bank of England is mentioned in the tones usually reserved for the Bastille.

Money, not sex, is the motive force of Moll's career. Disarmingly referring to herself as a whore, she is no more amoral than the Good Woman of Szechuan, and just as much subject to economic pressures. Newgate's grim wall lets down into a double bed and a frollicker rubber-stamps SEX on his partner's haunches in the first of several demonstrations of "sex as a monetary transaction" or "sex in marriage." Adventurers of both genders hoodwink one another into mercenary marriage to inevitable disillusion.

If this sounds didactic, Sue Pomeroy's direction whizzes through a breathless amount of sheer adventure, tossing the narrative ball from one character to another as each moves from stage persona to storyteller and back. "Robert fell ill and died," says his mother sharply, to the visible crossness of that young man who stumps off like the player of a children's game caught out. The language is chattily modern. This is not a BBC TV classic adaptation for Sunday tea-time.

Unflagging impetus leads to an exhilarating Act 1 finale when Moll meets the valetudinarian Biggins taking the waters to a close-harmony boogy-woogy chorus of bath attendants ("blubbedy - bluh blub, drip drip"). Act II is wordier, and Moll's career passes through enough false endings to make one aware of the bench beneath's own's own vibrant underside. By then Cheryl Kennedy's saucer-eyed heroine shows signs of flagging though earlier her demure, almost sexless, bemusement, is endearing.

Trevor Allan's direction of Chris Monks's music (discreetly growing out of the action, never imposed on it) adds to the pleasure; and Paul McCleary, Irene MacDougall, Angela Wyndham Lewis and Alan Barker populate the stage in Hogarthian—and even Gainsborough-like—amplitude. As an antidote to the forthcoming child-feast it makes a cheerfully astringent night off for the adults.

Joan Rodgers/Wigmore Hall

Max Loppert

Miss Rodgers is the latest bloom of quality to emerge from that notable hothouse of singers, the Royal Northern College. Already seen and heard as Pamina at Aix and the Coliseum, and a touching Xenia in the new Royal Opera Boris, she is a performer of charm and delicacy, filigree good looks, and a most attractive light-lyric soprano, pure and unforced yet with hints of vibrancy to add fragrance to the line. As a recitalist (on Tuesday night) with Roger Vignoles a most alert and sympathetic pianist), it seems that she is a bloom still in bud; though the singing in five languages was by and large as accomplished and sensitive as one might have expected, the overall impression was a touch faint.

The opening Mozart group found out traces of nervousness in the tendency of passing notes to flatten. Once this fault had been largely overcome, one could enjoy the clean outlines of Debussy's *Ariettes oubliées* without ever worrying that the singer was trying to overload them with studied applications of "meaning"; and enjoy even more a Schubert selection (especially "Die Sterne") for the radiant freshness of sound and word-utterance. Yet some element was lacking — a pressure of distinct personality on the phrasing, a sense of unfettered grasp of an audience — and without it the character of each song tended to come out rather more similar, and rather more restrained, than could have been intended. The artistry was unforced, and that was welcome, but it was incomplete.

In the second part, Miss Rodgers, a Russian honours graduate, sang Britten's Pushkin cycle *The Poet's Echo* and three Rakhmaninov songs with much of that very freedom missed earlier; and the easy flow of tone in Britten's "Nightingale and the Rose" (the cycle's mysteriously beautiful centre-point) and Rakhmaninov's "Lilac" carried its own appeal. So it did in Walton's three Sitwell songs, though here again a more forward delivery might have made them seem less tedious. One looks forward to Miss Rodgers' full emergence as a recitalist—no doubt only a matter of time.

Rostropovich festival plans

Mstislav Rostropovich has announced details of the Second Rostropovich Festival to be held at Snape Maltings Concert Hall, Suffolk between August 9 and 12 1984. The eminent cellist-conductor plans to include the first British performance of Penderecki's *Cello Concerto* and it is hoped that the composer himself will be present to conduct.

Following its success this year, Rostropovich will once again conduct the highly acclaimed young Britten-Pears Orchestra in a performance of Shostakovich's *Fourteenth Symphony* with Galina Vishnevskaya and Stafford Dean.

Abbacadabra/Lyric Hammersmith

Michael Coveney

The Lyric in Hammersmith can usually be relied upon to come up with an original idea for a Christmas show, and this colourful video rock musical based on the songs of the Swedish group Abba and incorporating elements of *The Wizard of Oz* and *The Sleeping Beauty* is certainly that.

It is at least refreshing, after *Blondel* and *Jean Seberg*, to see a musical which not only shimmers with nuggets of the contemporary pop idiom but also gleams with a design rooted in the tubular steel hardware of the video cassette culture. Once the three schoolchildren have plugged their video game into the class equipment, the stage clears to reveal an enchanted forest of space age catwalks and silver spirals, of TV screens and banging red neon lights.

The children are joined by Cinderella (Finola Hughes), Aladdin (Michael Praed), Pinnochio (Sylvester McCoy) and the Beast (B. A. Robertson). They set off to find the Sleeping Beauty's wedding party and run into opposition from the wicked witch Carabosse and her team of zoot-suited crows.

The original video show was written by the French team of Alain and Daniel Boublil, but the impresario Cameron Mackintosh, who has joined forces with tha Lyric, has brought in David Wood to write the story and Don Black to provide lyrics. The Act 2 opener, with the three kids wishing they were back home to the music of "Fernando" shows the collaboration at its best. Otherwise the placings of songs is oddly unrelated to the action and there are long passages of Peter James's production in the first half that are dangerously inert.

Still, once Elaine Paige hits her stride as Carabosse, the show takes off, as she undergoes a series of impressive transformations from the dowdy schoolteacher of the first scene, to a punk-haired Queen of the Night with a pulsating line in home video cabaret. The magical resolution finds the Sleeping Beauty (Jayne Leigh Collins) descending on a star-glazed bower to be welcomed by B. A. Robertson switching his coat for the romantic rescue act.

En route, we have Phil Daniels as a belching, bleeping robot up to his ears in technological hardware phoning home to Carabosse the latest progress reports, Pinnochio having his elasticated strings pulled by the crows, and Miss Paige setting the stage alight as she sings hell for red leather. The splendid design is by Jenny Tiramani, the imaginative and colourful costumes by Sue Blane. Abba fans will spot "Money, Money" as accompaniment to Miss Hughes's big dance number and a winsome finale modelled around the latest hit, "Thank You For The Music."

Alastair Muir

B. A. Robertson and Elaine Paige: shimmering pop and gleaming design

Commission scheme for women's plays

The Women's Playhouse Trust and Methuen have announced a unique co-comissioning agreement whereby women writers will be contracted to write plays for a major London stage.

The first commission has been awarded to Louise Page, joint winner of the 1982 George Devine Award for her highly-acclaimed Salonika. Others to follow shortly, subject to contract, are Sarah Daniels, Claire Luckham and Pam Gems.

The Women's Playhouse Trust was formed in 1981 with the intention of buying a central London theatre where a repertoire of plays could be performed, giving particular emphasis to the work of women writers, directors, designers, technicians and administrators.

Webern Cycle/Barbican Hall

Dominic Gill

It is not perfectly clear why these two concerts by the Vienna Philharmonic Orchestra are tagged on to the end of the International Webern Cycle. The first concert on Tuesday night offered only one Webern work which had not been played already by the LSO during the series; and the second, last night, contained no Webern at all. The Vienna Philharmonic were—*ironically*—among the last of the European orchestras to take up Webern's music; and the lack of experience (as well as enthusiasm) shows.

Their conductor for the visit is Zubin Mehta, who is not either a noted Webernian — although the Six Orchestral Pieces op. 6 are one of his familiar turns with his other orchestras, and he gave them on Tuesday a well-made and richly coloured performance, even if it had little of the glittering energy which Abbado and the LSO had imparted to the earlier, fuller-scored version last Thursday. The rest of the Webern was merely shoddy: a smudged and muddy account of the Passacaglia op. 1, and an uncomfortable, ill-tuned reading of the restless little 10-minute symphony op. 21.

Relinquishing Webern as quickly as decently possible, the Viennese turned to a composer closer to their heart, and to a magnificent display of the sound for which they are justly famous. In Schubert's Ninth they ran the gamut complete: huge, creamy violin tone; massive, radiant lower strings; woodwind deliciously plangent; soulful brass; the phrasing in every measure lusciously smooth. In other musical respects the performance was unremarkable; but no one seeking aural ravishment pure and simple can have left unmoved. A review of last night's performance will appear in tomorrow's paper.

Schlondorff to head film jury

West German film director Volker Schlondorff, whose films include The Tin Drum and The Lost Honour of Katharina Blum, will head the jury of the eighth Montreal World Film Festival next August.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

December 9–15

Exhibitions

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and post cards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay, palm trees below the balcony, bright silks against the apple green of the race-course, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

Royal Academy: The Genius of Venice – we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us to exclusively the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century. If Bellini and Carpaccio are honoured more by their absence, since the panels now are just too fragile to travel (though the Lion of St Mark's is Carpaccio's), there is so much that has been brought in from all over the world that compensation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the beginning, to the emotional extravagance of Tintoretto filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al., we are indulged in a way unlikely ever to be repeated in our time, if at all. Ends March 11

BRUSSELS

15th Century drawings from Belgian private collections – 100 drawings including Jordaens, Teniers, van Goyen, Tiepolo, Poussin and Fragonard. Société Générale de Banque. Ends Dec 21

PARIS

Raphael – Three exhibitions pay homage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 18th century to the present. Grand Palais (2615410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (2603926). Closed Tue. Ends end of Feb.

Balthus – in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou. Closed Tue. Ends Jan 23 (2771233)

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B. C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (2615410)

Turner (1775–1851) – the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes – through his fascination with the effects of light – one of the forerunners of abstract art. Grand Palais (Oct 15–Jan 10). Closed Tue (2615410)

Liège Modern Art Museum has lent its collection of choice items – one of Monet's first paintings and one of Gauguin's last. Also a surprising Blue-period Picasso – to the Centre de la Communauté Française de Belgique. (Tel: 2712616). 11am–6pm, closed Mon. Ends Jan 8

The Land of Baal and Astarte. Ten thousand years of Syria's artistic development. Petit Palais (2651273). Ends Jan 8, 10am to 5.40pm. Closed Mondays

Friedrich – The German romantic painter's work viewed to Wagner's music at the Centre Culturel de Marais (2727332). Ends March 11.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Goncharova. Ends Nov 27

Kennedy Galleries (40 W. 57th): 40 American artists covering three centuries and various genres, from Copley portraits to Harnett's tromps l'oeil and Prendergast's lyrical figures, comprise a show that stretches from the Colonial period to the Armory Show of 1913. European influence is noticeable throughout, but usually with an American perspective that gained confidence and individuality with the country's development. Ends Dec 30.

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition for nearly a century. Ends Nov 27

CHICAGO

Museum of Contemporary Art: 46 paintings of Superrealist Malcolm Morley trace the British-born painter's style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Superrealism. Organised originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlan, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

Hirshhorn Museum: Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the taille direct technique as revived in the late nineteenth century and used even today. Ends Nov 27

National Museum of Natural History: The Precious Legacy contains 350 secular and religious Jewish objects the Nazis preserved in Czechoslovakia for a "Museum of an extinct race", covering five centuries of gold, portraits, textiles and other crafts from the collection of the State Jewish Museum in Prague. Ends Dec 31

Hirshhorn: 136 works by 62 European and American 20th century artists illustrate the contemporary theme of Dreams and Nightmares for Society. Timed to usher in Orwell's dreaded 1984, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 12.

WEST GERMANY

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

Bonn: Rheinisches Landesmuseum: The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles as pattern and decoration, new image, new wave, new expressionism and graffiti. Ends Jan 15

Berlin, Martin Gropius Bau, 110 Stresemannstrasse: The Federation of West German Artists is showing the work of 300 contemporary painters to document artistic trends. Ends Jan 8.

Hamburg, Kunsthalle, Glockengiesserwall: Luther And The Consequences for The Fine Arts has 540 graphics and paintings from the Reformation to today illustrating the great reformer's impact on many artists. Ends Jan 8.

Hamburg, Kunstverein, Glockengiesserwall: More than 120 drawings, water colours and gouaches from between 1910 and 1955 by Fernand Léger. Ends Jan 1.

Frankfurt, Städel, 63, Schaumainkai: The centenary of Max Beckmann, the outstanding German expressionist, is marked by 180 works from 1915 to 1933. Ends Feb 2.

Baden-Baden, Staatliche Kunsthalle, 8a Lichtentaler Allee: 20th century art including paintings and sculpture by Mondrian, Miro and Beuys. Ends Jan 6.

Hamburg, Altonaer Museum, 23 Museumstrasse: "American Folk Art" has 200 paintings, drawings, textiles, ceramics and sculptures from the 18th century to date by U.S. artists. Ends January 15.

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 28. The Book Of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its Golden Age and was the last repository of Western art and learning to fall to the Vikings.

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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

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Big test for Mr Marcos

The renewed presence of a team of experts from the International Monetary Fund in Manila this week serves to underline the serious problems facing the Philippines. Since the murder in August this year of the popular opposition leader, Mr Benigno Aquino, on his return from exile in the U.S., both the economic and political situations have taken a sharp turn for the worse.

The crisis of confidence caused by that event has made it all the more difficult for a financial rescue operation to be mounted by the IMF, international commercial banks and friendly governments such as the U.S. and Japan, which would meet the Philippines' huge requirements.

The negotiations, to the consternation of the Philippine authorities, have been progressing very slowly and it may take many more weeks before they are finalised. IMF officials and international bankers have shown their usual meticulousness in their examination of the willingness and capacity of President Marco's government to administer the stringent economic medicine which is a condition of their new loans.

Their customary caution has been compounded by an uncertain political climate in the Philippines, which has already begun to sap Mr Marcos's regime, and which could eventually lead to an unstable situation in which it would prove impossible to apply tough economic measures.

Chink in armour

The assassination of Mr Aquino and a widespread lack of confidence in the government's management of the economy has spawned a middle-class and businessmen's protest movement in favour of political reform, which has led to a number of impressive mass demonstrations.

It is clear that this "revolt" has not yet found an echo in the urban working class nor, even less, in the agricultural community which forms the backbone of the country. But it is the first chink in President Marcos's armour.

The combination of the domestic political furore caused by the Aquino assassination and the Philippine creditors' understandable desire to obtain some guarantees that they will not be pouring money into an unstable country, has persuaded President Marcos to make some political concessions, however inadequate.

Some reforms have been made in the electoral system which, it is hoped, will encourage the opposition parties to participate in next May's legislative elections, though that is by no means a foregone conclusion.

In reply to persistent demands that provision should be made in the constitution for a clear presidential successor in the event of the present incumbent's demise, President Marcos has given a little ground. A constitutional amendment, due to be voted on next year, will recreate the office of Vice-President, though not until after the President's death or, if he completes his term, not until the next presidential election in 1987.

More fundamental steps towards a restoration of democracy are clearly desirable, both from a domestic point of view and because they would help to bolster international confidence in a regime with a tarnished reputation.

In the present critical situation, however, the first priority must be that the authorities and the people should look economic facts in the face.

The official estimate for the country's total foreign debt was recently revised upwards from $18bn to $25bn. Some independent economists consider that it is more likely to be in the region of $30bn.

There has been a regrettable tendency in Manila to believe that the package of loans totalling $3.9bn over the next year, currently being put together by the IMF and the commercial banks, will solve the country's economic problems at one stroke.

That is clearly an illusion. The day when the IMF and the banks finally approve their respective loan packages of $650m and $1.65bn will merely mark a new stage in President Marco's problems.

The austerity policies which the Government will be expected to apply are likely to be particularly severe and will have to be applied for a lengthy period to be effective. They could provide an even bigger test of President Marco's capacity to survive than the murky affair of Mr Aquino's assassination.

The ratepayer's burden

THE ANNUAL rate support grant settlement is always a gloomy day for ratepayers. It is the early warning bell, at the height of the Christmas spending season, that savings are in order for an even gloomier day next spring—the arrival of the rate bill on the doormat.

Yesterday was no exception. The complex of myriad targets, grant assessments and penalties boils down to a simple message for English ratepayers: very few councils will be able to levy a rate for 1984-85 below the rate of inflation and many councils, particularly in urban areas, will require substantial increases even if they make painful cuts in manpower and services.

One problem for councils and therefore their ratepayers is the persistent tightening of the cash targets and the increasingly severe penalties exacted for overshooting. These targets are not consistent one year with another, bear no resemblance to the Government's benchmark of how much councils need to spend to achieve a standard level of services and are set on the basis of previous year's budgets.

This means that the more prudent a council has been in previous years, the lower its new target becomes and the harder it is to avoid penalties by hitting it. Some low-spending, pennywise councils face large penalties and impossible targets next year, implying hefty rate rises. Some high-spending councils which have consistently increased their budgets and balances seem to be in relatively healthy positions and could most easily trim back. This destruction of the link between expenditure levels and rate increases is the most regrettable aspect of the Government's approach to local spending. It is now an issue of such concern that the Audit Commission has launched its own independent inquiry into how and why it has happened.

But this is not the end of the problem. Local authority current expenditure in 1984-85 will be something over £20bn.

The main burden falls on domestic and non-domestic ratepayers. Yet the accountability which should work through voter response to spending and rating levels has also been weakened because domestic ratepayers now shoulder less than 15 per cent of the total burden; many in high-rated urban areas escape the pain through rate rebates and every domestic rate bill is cushioned with a subsidy of 18.5p in the pound at a cost of nearly £700m a year, which rises to around £1bn when the unjustifiable exemption of farmers from rates is included.

The most welcome element of yesterday's settlement is the further slight reduction in the proportion of council spending to be funded by central government grant, down to 52 per cent from 52.8 per cent last year and a high of 66.5 per cent in 1975-76. But even here the improvement in accountability which should follow from throwing more of the burden for local spending decisions into the local arena is distorted, both by penalties and by skewing the cash share-out each year in favour of Tory shire councils (presumably in the hope of softening their opposition to rate limit legislation).

Narrow base

The depressed urban heartlands, largely Labour strongholds, fare badly. The Greater London Council is left to provide all its services for 6.7m people solely at the expense of ratepayers except for some grant for police services and a low level of support for transport. The entire education service for inner London's 2.3m people is similarly funded solely by ratepayers. This is hardly a suitable approach to the financing of the capital much of whose infrastructure and services can be regarded as national rather than local assets.

The Government cuts have taken £3.6bn of grant away from councils since 1978-79, nearly half of it from London. The total grant loss is the equivalent to 4p in the pound on income tax and the Government is less than just in not admitting that this switch in tax burden from central to local is at least partly responsible for rate rises.

The rate base is simply too narrow and the number of payers too few to support the burden. The interests of ratepayers can be best served by making more people pay the real cost of the service levels for which they vote.

ECONOMIC VIEWPOINT

Why monetary nerves are twitching

By Samuel Brittan

The Chancellor of the Exchequer, Nigel Lawson, has canvassed the idea of a new target for narrow money. He has sparked off a surprisingly lively debate. . .

THE regulation of total spending matters in every economy. If total spending rises too quickly there is inflation; if it rises too slowly there is deflation and the risk of unemployment.

The various measures of the money supply are important mainly because they are thought to be indicators of, or influences on, overall spending. The main mechanism for controlling monetary growth, in the UK and some other countries, is interest rate variation.

While this much is common sense, it is far from clear which is the best measure of money to monitor for the purpose. A common experience has been that as soon as one measure is chosen as a target, it ceases to be a good guide because of changes in the financial system.

It is important to avoid making bad mistakes here. For the credibility of monetary strategy is no mere technical matter: on it depends in part the chances of continued growth without a reacceleration of inflation.

Because of these unresolved problems something of a stir was created when the Chancellor, speaking at the Mansion House in October, canvassed the virtues of a hitherto untargeted measure of money, namely "Mo":—notes and coins plus banks' till money and working balances at the Bank of England.

The sentence which caused most stir, despite qualification about "not taking any distinction too far in the real world" ran as follows: "There is some presumption that the narrower aggregates might have particular relevance for short-term interest rates while the broader aggregates might be more relevant for decisions about fiscal and funding policy."

Since then, too level nerves have been twitching. City pundits noted that the Governor forebore to mention Mo in his own speech. Earlier on, an article by Mr J. Fforde in the June Bank of England Bulletin stressed the need not to become hooked on any particular money supply indicator or indicators.

Some of the key issues are discussed below.

What are the attractions of Mo for the Treasury?

The Treasury is interested in tracking two main magnitudes: transactions balances, also known as narrow money, which are thought to be related to spending; and a wide measure of liquid assets, known as broad money, which the December Progress Report defines as "assets which could be converted with relative ease and without capital loss into spending on goods and services."

The present Medium Term Financial Strategy operates in terms of two measures of broad money, PSL2 and Sterling M3, and one measure of narrow money, M1. The target for all three is 7 to 11 per cent growth per annum, due to go down to 6 to 10 per cent in 1984-85.

The intellectual problems are at present caused by narrow money.

The existing measure M1 is thought unsatisfactory because interest-bearing deposits — largely over-night money left by corporations and not likely to be closely related to spending — account for 27 per cent of it. There is a narrower measure of "retail M1," which excludes such deposits: but that is highly volatile. For as interest rates rise people shift into interest bearing deposits, and vice versa when they fall.

A much more satisfactory measure of transactions balances has recently been devised, known as M2. This takes into account all deposits with banks or building societies likely to be used for transaction purposes. The problem is that records only go back two years and officials fear that not enough is known about its behaviour to use it for a target.

So the Treasury is driven to Mo for want of anything better?

More or less. There is no obvious reason why spending should be related to notes and coin, which constitutes 91 per cent of Mo. Treasury studies show, however, a statistical relation between Mo and Money GDP. The velocity of Mo (the speed at which money is circulating) has been rising by an average of 4 per cent per annum since 1960 as people economise on cash, use bank accounts, credit cards and so on. The Treasury hopes to take this into account by fixing a lower target for Mo than for the other aggregates. The likely range for 1984-85 is 3 to 7 per cent or 4 to 8 per cent.

Will the use of Mo mean that less attention is paid to the exchange rate?

In principle, no less and no more than at present. There is a set procedure for examining deviations from target in all the monetary measures in which the behaviour of the exchange rate is among the factors examined before corrective action—which is not automatic—is taken.

What are the Bank of England's objections?

An article in the December 1982 Bank Bulletin found the demand for cash falling more than expected, and the demand was seriously over predicted in the latest three years.

But a perceived statistical regularity, over one or even two decades, is an inadequate basis for official targets.

What can policy-makers do if Mo is rising too quickly, assuming that sterling and other evidence support the case for restrictive action?

They can influence cash holdings indirectly by, for instance, raising interest rates so that people economise on cash and move into interest-paying deposits. The Bank Paper just cited did not find the interest rate factor significant; the Treasury research apparently does, and technicians on both sides may have moved closer since the Bank article appeared.

But my remaining hair stands on end at the thought of policy being determined by the rapidly shifting findings of econometricians.

As Keynes (himself a Wrangler) remarked: such findings are "as imprecise as the initial assumptions on which they rest," and "which allow the author to lose sight of the complexities and inter-dependencies of the real world in a maze of pretentious and unhelpful symbols."

I do not like to see the Chancellor being used for intellectual experiment (even his own) for which he will be left carrying the can long after the authors of the equations have revised their relationships and shifted to something completely different.

What is the difference between Mo and notes and coin?

Notes and coin in the hands of the public ("cash") do indeed make up 91 per cent of Mo. Notes and coin help by banks as till money constitute another 8 per cent of Mo, and bankers' balances with the Bank of England the final 1 per cent. These balances can of course be converted at will into cash.

Are there any practical objections to the use of Mo rather than plain cash?

Even cash holdings are quite volatile from month to month, but Mo is still more so because of sharp fluctuations in bankers' balances.

So the dangers of going by one month's or even three months' figures need even more underlining than usual. In addition to the delays in diagnosis, there will be further delays before corrective action takes effect. It will take some months before Mo reacts to a change of interest rates—and the correction will often spill over into the next target year by which time the problem might be different. All these complications will at best sow confusion, at worst, undermine credibility.

What would the Bank of England prefer?

There is more than one opinion in that august institution. One school of thought has maintained for some years that policy is "too tight", although I am not sure what that school makes of the present soaring consumer boom.

But another school, nearer the operational centre, broadly supports the present monetary strategy — with its three targets, small print, qualifications and all—as some brake on the pure use of discretion and some guarantee against the finance of renewed inflation.

Does the Bank see no scope for greater clarification?

The Fforde article already mentioned did come out in favour of a nominal GDP objective to supplement and reinforce the existing monetary guidelines.

So far from being a new idea, associated with certain individuals, Nominal GDP, which is a measure of demand in the economy as well as of the national income, appears as the main focus of almost every single Bank and Treasury monetary study. Various measures of money are judged by the closeness or otherwise of their relation to Nominal GDP. The monetary targets are therefore "intermediate," the GDP objective more of a final goal. Ministers who obect to the notion will, if they examine their briefs, find that they have been talking Nominal GDP all the time without knowing it, just as Moliere's bourgeois gentilhomme had been talking prose.

Very few economists, and almost no government advisers, believe there is a direct line from money to prices. A slowdown in the growth of Nominal GDP first affects the real output component and later affects prices, while output recovers. The precise division between the output and price effects is not in the Government's control, but does depend currently on the expectation of wage bargainers about future policy.

Would you give up monetary targets altogether?

Let us start from the fact that for good or ill we do not have a monetary base system and the money supply is not controlled directly. The instruments of policy are variations in public sector borrowing, funding (that is sales of government securities) and Bank of England management of short term interest rates.

The operational need is for a guide to the use of these instruments. It is, of course, far from simple to predict the effect of, say, interest rate changes, which in turn affect the exchange rate, on Nominal GDP.

Some presumptions about how a range of monetary measures should move are certainly useful. But they should be benchmarks, departures from what should be analysed and explained, not targets to which the Government is committed.

Is not too much political capital invested in monetary targets to adopt this course?

The tiniest spark of imagination will do the trick. All that the Chancellor needs to say in his Budget Red Book—but prominently and not in a footnote—is that deviations from the monetary objectives would be judged in the light of the presumed behaviour of velocity.

The one economic innovation for which the Thatcher Government has a chance of being remembered is its Medium Term Financial Strategy. But if that is to establish its full credibility, it must be stated in terms of an objective which makes sense.

Over three of four years ahead we can be pretty confident that there will be no close predictable relationship between any of the candidates offered as measures of Money and Nominal GDP. This being so, would not the best course be for the Chancellor to set his medium- and long-term objectives in terms of what he is actually trying to regulate? If he did that, I would not lose any sleep over how exactly he chose to spell out the details of the strategy for one year ahead.

GLOSSARY OF MONEY TERMS

Initials	Names	Approximate definition	Amount £bn (Oct. 1983)
	NARROW MONEY (Money held predominantly for spending)		
—	Cash	Notes and coin held by public	11.5
Mo	Monetary Base	Cash plus banks' till money and operational balances at Bank of England	12.8
NIBM1	Non-interest bearing M1; "Retail M1"	Notes and coin plus non-interest bearing private sector sight deposits at UK banks	30.8
M1	M1	As above, but including all private sector sight deposits	42.0
M2	Transactions balances	Notes and coin plus all private sector deposits in banks and building societies held for transaction purposes (ie, less than £100,000)	112.4
	BROAD MONEY (Money held for spending and/or as a store of value)		
£M3	Sterling M3	Notes and coins plus all sterling bank deposits held by UK private and public sectors	100.3
PSL2	Private Sector Liquidity (wide definition)	Notes and coins, plus private sector sterling bank deposits, plus holdings of money market instruments (eg, Treasury bills) plus short-term building society deposits and National Savings	162.3

VELOCITY EQUALS NOMINAL GDP DIVIDED BY MONEY SUPPLY. THEREFORE NOMINAL GDP EQUALS MONEY SUPPLY TIMES VELOCITY, irrespective of how money is measured.

Men & Matters

Heir apparent

The line of succession to the chairmanship of the Hongkong and Shanghai Banking Corporation seems to have been settled in favour of William Purves, currently executive director in charge of group banking business. It was announced yesterday that Purves will become the bank's deputy chairman when Peter Hammond retires in May next year.

Michael Sandberg, incumbent chairman of "The Bank," has indicated that he wants to lead the group into its new headquarters building, now under construction. That could point to a retirement, perhaps, at the 1986 annual meeting, with Purves clearly the heir-apparent.

I noted in April last year that Purves seemed marked for higher things when his appointment to the Hongkong Bank's main board was announced. For the first time, the bank was concentrating in a single director's hands, responsibility for all basic banking business, domestic and international. His position was further consolidated in November, 1982, when he was appointed chairman of Wardley, the bank's merchant banking subsidiary, whose units include the former Antony Gibbs operation in London.

An imposing, silver-haired Scot, 51-year-old Purves is renowned for his no-nonsense style and prodigiously long working hours. Where Sandberg's style is entrepreneurial Purves is a conservative by nature.

Sandberg was the man to mastermind the Hong Kong acquisition of Marine Midland Bank of the U.S., and attempt an officially-frustrated bid for Royal Bank of Scotland. Purves seems well-suited by temperament for the more recent task of tightening up some aspects of the Hong Kong operations which seem to have worked a little loose during the local property boom of 1978-81.

Wardley, in particular, made some large and, with hindsight, decidedly imprudent loans during that period, some to property companies which are now in liquidation.

If Purves does succeed to the bank's chair in 1986, he will inherit one of the most remarkable, and expensive, buildings in the world as his headquarters.

The new Hong Kong Bank building, now risen to half its eventual height, already dominates Hong Kong's central business district. So dramatic is the steel skeleton—designed by Norman Foster—that locals are gradually becoming even more impressed by its appearance than they are by its HK$5bn cost.

Kilts provided?

The Republic of Ireland and Scotland are slugging it out toe-to-toe for whatever new high-tech industry may be seeking grants and a home these days.

Scotland with a strong array of electronics companies already, has argued for years that its rival across the Irish Sea (now also a fast-growing electronics manufacturing centre) really could not provide the skilled manpower needed for high technology.

The Republic responded with a crash programme of high-tech training in schools and further education institutions.

The Irish policies have now proved their worth. In Dublin a half-page newspaper advertisement has appeared offering jobs for workers skilled in high-tech mysteries with the tempting introduction "Have you ever been across the sea to Scotland?"

The advertisement has been placed on behalf of Scottish companies seeking to recruit Irish staff.

Posted profits

After Guernsey's parliament debated the toughest budget proposals for years yesterday the two representatives from Alderney attending were given a pleasant surprise.

A cheque for £50,000 made out to the States of Alderney was handed over to the tiny dependency's "chancellor," John Winckworth, by the head of the Guernsey post office board, Roy Le Prevost.

The cheque represents profits from the first set of 12 Alderney stamps issued last June.

After lengthy discussions between Guernsey and Alderney, which wanted to run its own postal services, it was agreed that Guernsey should issue definitive and commemorative regional stamps for Alderney—and hand over the profits less administrative costs.

The new stamps have put Alderney on the map for the first time for many people outside the islands. The 13p value used for letters to the British mainland shows the island's geographical position in relation to Guernsey and to France.

"He marks the sterling prices in the money market"

Indian file

Ten years after the idea of a people's car was taken up by Sanjay Gandhi, son of the Indian Prime Minister, Suzuki 800s are now slowly rolling off the production lines at the government-owned Maruti factory outside Delhi.

This is the first completely new car to be launched nationally in India for some 30 years.

The political controversy that has surrounded the Maruti plant was dispelled by Japanese efficiency as Mrs Gandhi inaugurated the factory yesterday. The imported management style decrees the recruitment of shopfloor workers with an average age of 20 who have not worked anywhere else before, common grey overalls, physical exercises every morning, and prompt time-keeping.

Company president, Osamu Suzuki, says it is "difficult to have a good operation in India" but seems to believe it can be achieved providing the Indians do not expect to make too many of their own components too quickly.

Suzuki was the first of more than a dozen Japanese companies in the past two years to recognise the potential of India's market. "We have closer links of philosophy and religion with India than we have with Europe or the U.S." Suzuki says.

On the meter

"Now, Perkins. I see from your expenses sheet that on the 24th, while entertaining a client to lunch you downed three dry Martinis at 5-minute intervals before lunch. . . ."

Oh, the shame of exposure. But in Switzerland those who lunch and dine on expense accounts already risk such close scrutiny of their indulgences.

Restaurants are now entering upon their computerised bills not just the orders, but also the precise time when they were made.

The time taken to consume the meal is logged, as well as the moment at which each refreshing glass was ordered.

Observer

THE EEC BUDGET CRISIS

A squeeze can't be avoided

By John Wyles in Strasbourg

"IT IS clear that only in an atmosphere of crisis and complete failure can the impetus be created for a radical re-examination of the progress and future of Europe," Andreas Papandreou, the Prime Minister of Greece, told the European Parliament on Tuesday.

Mr Papandreou's rhetorical reworking of the ancient Community adage that "the EEC only solves its problems when it is in the grip of a real crisis" perfectly reflects the foreboding tinged with optimism which has prevailed since the complete summit failure in Athens last week. In this case, "crisis" refers to the extreme difficulties which can now be foreseen because there will not be enough money in the Community budget next year to finance all current operations.

The European Parliament's desire to avoid compounding these problems will be evident today when MEPs vote on the Community's 1984 budget. In the immediate aftermath of the Athens debacle, parliamentary rejection of the budget was a real fear in Community capitals.

However, it is now clear the parliament will pass a budget which, though not totally acceptable to all member governments, looks likely to be executed by the Commission.

In the Commission and the European Parliament, the fervent hope is that governments will act before the Community's money actually runs out to solve the short-term cash problem and assure long-term financial stability. This means embracing agreements along the lines of those which seemed so unattractive in Athens—immediate economies in the common agricultural policy, a permanent solution to the British budget problem, better overall control of EEC spending and an increase in the legal limits on the Community's budget revenues.

Yet the Community is still in far too much of a state of numbed shock after Athens to see how this happy condition of agreement can be reached.

Within the European Commission, expenditure control has become the dominant preoccupation, irrespective of when final agreements are reached. As the executor of the budget, the Commission has been in a mild state of panic about the outlook.

In broad terms, the budget to be adopted by the parliament today should allow total expenditure next year of just over 25bn European Currency units (£14.25bn). About 45 per cent of the funds will come from customs duties and agricultural levies. The remainder will equal about 0.99 per cent of the VAT charges levied on member states up to a limit of 1 per cent of sales of a common basket of goods and services. In other words, the Community will be spending all but 50-100m Ecus of what it can legally spend.

This would be an uncomfortable situation at the best of times, but the state of agricultural production and markets makes these the worst of times. A 4 per cent rise in milk production, higher cereal output and lower world prices, and rising expenses in many other markets have pushed this year's agricultural spending to a level which is 28 per cent higher than last year's.

Next year's agricultural budget — which it must be remembered cannot be increased given the current legal spending limits — is only 4.4 per cent higher than this year's. Without radical action, spending cannot be contained within the Ecus 16.5bn allocated to agriculture. Thus, one of the dangers of prolonged political deadlock is that the money would run out — in September according to the best informed guess.

In such a parlous situation, there is no question of the Community going into the debt markets to fund its budget — deficit financing is explicitly ruled out by the treaties. The onus would therefore be on member governments to keep the CAP going through national contributions. They would surely need unanimous agreement to do so. It might be forthcoming, but would Mrs Thatcher allow emergency life support for the CAP unless she had the permanent reduction in Britain's budget payments she is seeking?

Would she, on the other hand, be prepared to take the political consequences of leaving British farming unsupported? Could she pull Britain out of the CAP, adjust the UK's payments to the EEC budget unilaterally and then sue for peace with Britain's partners?

The options are difficult ones for her. They suggest that Britain may want to settle before everyone topples over the brink—a fate other countries should want to avoid for fear of the backlash from their agricultural lobbies.

The Commission's first objective will be to ensure that the brink is never reached. In other words, it must take whatever measures are necessary to keep the CAP within the budget in the absence of political agreement between the 10 governments on reshaping the policy.

The Commission President, Mr Gaston Thorn, told the European Parliament on Tuesday that the CAP measures must be in place by April 1, at the latest. Prudently, Mr Thorn and his colleagues have begun planning on the assumption that there will be no political agreements by then.

As a first step, the Commission is likely to announce before Christmas that it is prolonging into 1984 the measures it introduced in October to ease the CAP's cash flow problems. The main item here is the suspension of advance payment of 80 per cent of the subsidies attached to agricultural exports. This does not save money but it does delay expenditure.

At the same time, or early in the New Year, the Commission may well propose a freeze on farm prices, coupled perhaps with price cuts in the dairy sector. As a demand for austerity, this would be unprecedented. Even so, it would not ensure that the CAP will come in under budget.

A step in this direction, which will be considered by the Commission, is a refusal to propose a renewal of the regulations providing a broad range of producer and consumer aids. Many of these regulations expire on March 31 and the aids themselves now account for nearly half of total CAP spending.

The political uproar unleashed by such a move would be considerable. The UK would lose its butter consumption subsidy worth more than Ecus 120m a year plus other aids for beef production. The Community-wide impact could embrace a host of producers of everything from fruit and vegetables to tobacco.

Other shots in the Commission's locker include an end to the practice of setting export rebates for six months ahead. This has encouraged profiteering by astute traders ready to gamble on world commodity price movements. A final and most devastating step would be to halt subsidised exports altogether and to run up enormous stockpiles of cereals, sugar and beef to join the record quantities already in the warehouses of butter and skimmed milk powder.

The message that Mr Thorn and his colleagues are trying to get across to governments is that some of these Draconian measures are avoidable if only they will agree on the CAP reform package which fell at the Athens fence. The precise savings to be derived depend on the content of any final agreement and its timing.

If, for example, the Commission's proposed economies in the dairy sector were agreed in March, based on quotas and a super levy to deter further excess production, they would come into force in midsummer and might yield savings of Ecus 500-600m. However, this will not be anywhere near enough. The total savings needed to keep the CAP within budget are difficult to calculate but on present trends they may be of the order of Ecus 1.5bn.

The Commission is still hoping to close the budget gap with the help of Ecus 200-300m from the part-year proceeds of an EEC tax on all fats and oils except butter. Of all its economy proposals, however, this has the least chance of adoption at any time. A genuine expenditure axe, therefore, has to fall heavily elsewhere.

After many give-away years of contentedly financing double digit rises in farm spending, it is hardly surprising that the Ten are having such difficulties in throwing the CAP system into a take-back reverse. Vital interests are at stake and the political fortunes of several governments as well. Hence the political timidity which has been gripping the parliament in Strasbourg this week.

Next June's elections for the European Parliament are the mystery wrapping around the Community's political and financial crisis. The desperate budgetary situation argues for the earliest possible settlement of CAP reforms and economies. But these are most unlikely to be agreed without the necessary parallel settlements on the British budget problem, new measures to control overall EEC spending and an increase in the 1 per cent VAT revenue ceiling.

Will those administrations most susceptible to farming votes—France, Ireland, Italy, Greece and Belgium—risk a backlash against their governing parties in the Euro-elections by settling the entire package at the next EEC summit in March? Or will they prefer to wait until the June summit after the elections, perhaps in the hope that the Commission will take the brunt of the political blame for emergency farm economies imposed before then?

Or will the majority choose to wait for the "big bang" when the money runs out, perhaps because they have concluded that a more fundamental reconstruction of the Community is needed, involving, who knows, a looser form of membership for the UK? The Community has never provided much material for a political thriller, but the failure in Athens has produced some of the vital ingredients.

The farm lobby in action: French farmers protesting outside the European Parliament this week against CAP reform and Spanish and Portuguese membership of the EEC

A BREAKDOWN OF CAP SPENDING

Figures in percentages

	Export subsidies	Storage	Aids	Other
1981	46.8	14.6	39.0	3.9
1982	40.7	14.6	44.1	4.9
1983	38.0	17.9	43.5	3.8
1984	39.9	19.1	41.2	3.1

Lombard

The dangers of 'Excellence'

By Christopher Lorenz

AFTER SIX months at the top of the U.S. league of non-fiction best-sellers, In Search of Excellence* has at last been toppled. Appropriately enough, the book to which this typically American guide to corporate self-betterment has ceded the top spot is also billed as an "on-the-job training programme"; this time in Motherhood — the Second Oldest Profession. Though Christmas demand has given a new boost to James Herriot, over half the New York Times's current top 15 are in the "improve yourself" category.

High in the New York Times best-seller lists almost from the day it was published just over a year ago, Excellence (as the book is now lovingly known at McKinsey, the management consultancy which spawned it), has so far chalked up sales of almost 1.3m in the English language alone, making it, as the Americans would say, probably the best-selling business book of all time. Before long it will even be rivalling Gone with the Wind.

Such, for its authors Mr Tom Peters and Mr Bob Waterman, are the rewards of persuading corporate America that the time is ripe to break through its long-standing obsession with "scientific" management systems, and revive a few home-spun, simple principles of motivation, organisation and (thereby) success.

The book veritably reeks with catch-phrases such as "hands-on," "entrepreneurship," "stick to your knitting," "close to the customer," "lean staff" and, above all, "value driven." Its whole emphasis is on the "soft" elements of what McKinsey dubs the "Seven S's" of leadership and management: style, skills, staff and shared values, rather than the "hard" ones of strategy, structure and systems.

The book's impact abroad has been less immediately dramatic. Only the Japanese, with their craving to borrow anything they can from the successful aspects of American management, rushed headlong to buy it: they snapped up a remarkable 320,000 copies of the Japanese edition in its first six weeks of publication.

Until the last few months, many Europeans seemed suspicious of Excellence as a typically inflated import from the fashion-prone world of American business publishing. But now, in the nooks and crannies of companies of all sizes, self-respecting managers everywhere are starting to quote from it—not surprisingly, since bulk purchases from many of their chief executives have made it required reading.

For European companies whose down-the-ranks professionalisation is as advanced as the best U.S. corporations, but where systems and paper-pushing may have been taken to extremes—Siemens, Deutsche Bank, the chemical majors, and so forth—Excellence brings an overdue breath of fresh air. For the Daimler-Benzes, Nixdorfs and Marks & Spencers, which have always kept a fair balance between systems and straightforward motivation and leadership, it is probably unnecessary.

But for the vast majority of European companies, particularly in the less sophisticated business cultures of France and Britain, it may be downright dangerous. The prolonged economic recession has unearthed countless examples of companies which lacked even the most basic down-the-line systems of budgeting and reporting, let alone a body of managers who had been trained to deal with all the complexities of dealing with today's business environment. A sizeable majority of European companies is in a similar state to Rhone-Poulenc, the French chemicals group which, in its own top management's admission, is in desperate need of greater professionalisation in its various divisions and profit centres.

It is one thing for Excellence to set in motion a belated swing of the American corporate pendulum, away from over-management. But it is quite another for it to interrupt a much-needed arc of Europe's pendulum in the other direction, away from a dangerously naive "seat-of-the-pants" tradition and towards more rationality and professionalism. As Peters and Waterman themselves emphasise, sophisticated analysis strategies and systems are crucial to any business. Excellence was intended to restore the balance, not revive the flat-earthers.

Harper and Row. Price £12.50.

Letters to the Editor

Delays that occur when buying or selling property

From Mr T. Bishop.

Sir,—In your leading article on December 12 you seem to be implying that solicitors are an endangered species. While it is true that quite a number of us would welcome the removal of some of the shackles imposed upon us by unnecessary professional rules it simply is not true to say that solicitors are responsible for the delays which occur when buying and selling property.

My experience is that most delays have nothing to do with solicitors or their methods of work, local searches (often used as an excuse for delay), the Land Registry, the weather, or anything else other than the parties themselves. Most delays are caused by purchasers who do not wish to sign a contract for a variety of reasons, e.g., because they have not yet exchanged contracts for their own sale, because they are still haggling over the details (how much for the carpets etc.) because mother-in-law is having second thoughts, wife is threatening to leave if husband insists on moving to a new area, because they are going to Majorca in July and if they sign the contract in June they will have to complete in July, illness, school holidays (why should our children have to change schools in the middle of the term) or because they have made an offer to secure the property in case they cannot find anything better and for all sorts of other personal reasons, plus (and invariably) because they have not yet received a mortgage offer. These are the every day realities so please do not blame solicitors.

No computerised conveyancing system or anything else will stop some purchasers changing their minds at the last minute, or asking for a reduction in price, or losing their jobs so they cannot proceed. It is because experienced solicitors are quite often able to persuade their clients to be sensible and realistic that many sales, which otherwise would fall through, are completed. How many times do clients say "I am putting the property back on the market," or "If he does not sign by the end of next week I am withdrawing." This type of situation is surely best handled by an independent person rather than clerks employed by banks and building societies.

Buying and selling a house is a complicated business and it is an unfortunate fact that many sales are "forced sales" resulting from divorces. Delays by vendors are almost inevitable when the partners are squabbling over the proceeds.

Everyone buying or selling a house needs independent advice at reasonable cost and solicitors are the best people to provide it. There is room for more competition between solicitors and the Law Society is taking the necessary action, albeit rather slowly, but please do not condemn us to extinction—I think our clients would miss us.

As for the ludicrous proposal that a vendor should have his own property surveyed before selling (at a cost of £200 or £300), I can just imagine the reaction of some of my clients. I have been trying for years to persuade them to spend £10 or so on the local search but without success. Surveyors always find some faults and to suggest to the vendor that he should offer the purchaser a survey which will enable the purchaser to justify an offer lower than the vendor's expectations is simply not a practical proposition in the real world—it might be different in Mr Austin Mitchell's utopia.

You also referred in your article to building societies providing cheap bridging loans which "would obviate the need for the long chains of house transfers which bedevil most British houseowners every six years on average." Fine, but I think you will find, as I do, that bridging loans are a great idea as long as someone else in the chain takes it up and pays the interest and the bank's commitment fee.

T. A. Bishop.
Bishop Longbotham & Bagnall,
Rodney House,
5, Roundstone Street,
Trowbridge, Wilts.

World food prices

From Mr J. Bourlet.

Sir,—Samuel Brittan ("Leave the Cap to die," December 8) claims that, in the event of increased EEC food imports, world food prices would rise at least in the short run although he suggests that world food production must be fairly elastic in the long run.

While right (politics permitting) in the long run, he surely ignores the fact that EEC food production is fairly inelastic in the short run. Total world production may not decline in total despite such imports and there may be no change therefore in the total supply/demand picture.

Indeed, the main point may be, should Britain choose to import food at world prices, that beef, butter, cheese, bacon, pork, cereals and poultry, at present imported from Denmark, Ireland and The Netherlands would continue to be so imported but at prices in line with those faced by our principal competitors in Japan and America. This would lead to an increase in living standards here and a corresponding fall in land values elsewhere.

James Y. Bourlet,
Business Studies Unit,
School of Business,
Economics and *Social Studies,*
84, Moorgate, EC2

Finding an expert

From Mr M. Elliot

Sir,—The chairman of the British Legal Association (December 6) writes in defence of his profession. His latter enshrines the cavalier disregard ordinary people suffer from so many "professional" bodies who, in this country, spend their time trying to impress the public that they have customers' interests at heart.

Their ban on advertising is merely one of the props that maintains the status clique—protecting the incompetent and often holding back good people who may have no wish to wait till they chance upon being recommended for their specialities. The implication in his letter that the game is to protect the public from misleading advertising can properly be viewed as an insulting slur on people's intelligence; it merely reinforces my feeling that such attitudes amongst professional bodies are ones this country can well do without.

If they are seriously interested in customers, or even their own members (other than the big and powerful ones to whom such bodies seem invariably to kowtow), why don't they come up with a better alternative?

Mr Shucksmith (December 7) has no answer either; he is also concerned about people being manipulated by "clever" advertising. Perhaps the real question is—which is worse—a slight danger of people having little judgment (poor mites) or having such "professionals" continue to hide behind the conventional wisdom that advertising is somehow evil. We should bear in mind that it is the professionals themselves who have done most to popularise this whole myth over the years, turning public fear into their own private profit.

Both of these gentlemen miss the essential problems: The ban on advertising imposed by the status clique prevents us from being able to choose from among the thousands of expert legal people who could help us. We are not even allowed to know who they are! It is about as daft as it would be to ban the advertising of matches on the basis that people would be much better placed choosing a box of matches via the route of "who they knew" rather than what they could see for themselves.

Malcolm G. Elliot.
Kingswood Buildings,
Lower Kingswood,
Tadworth, Surrey.

Dazzlingly dangerous

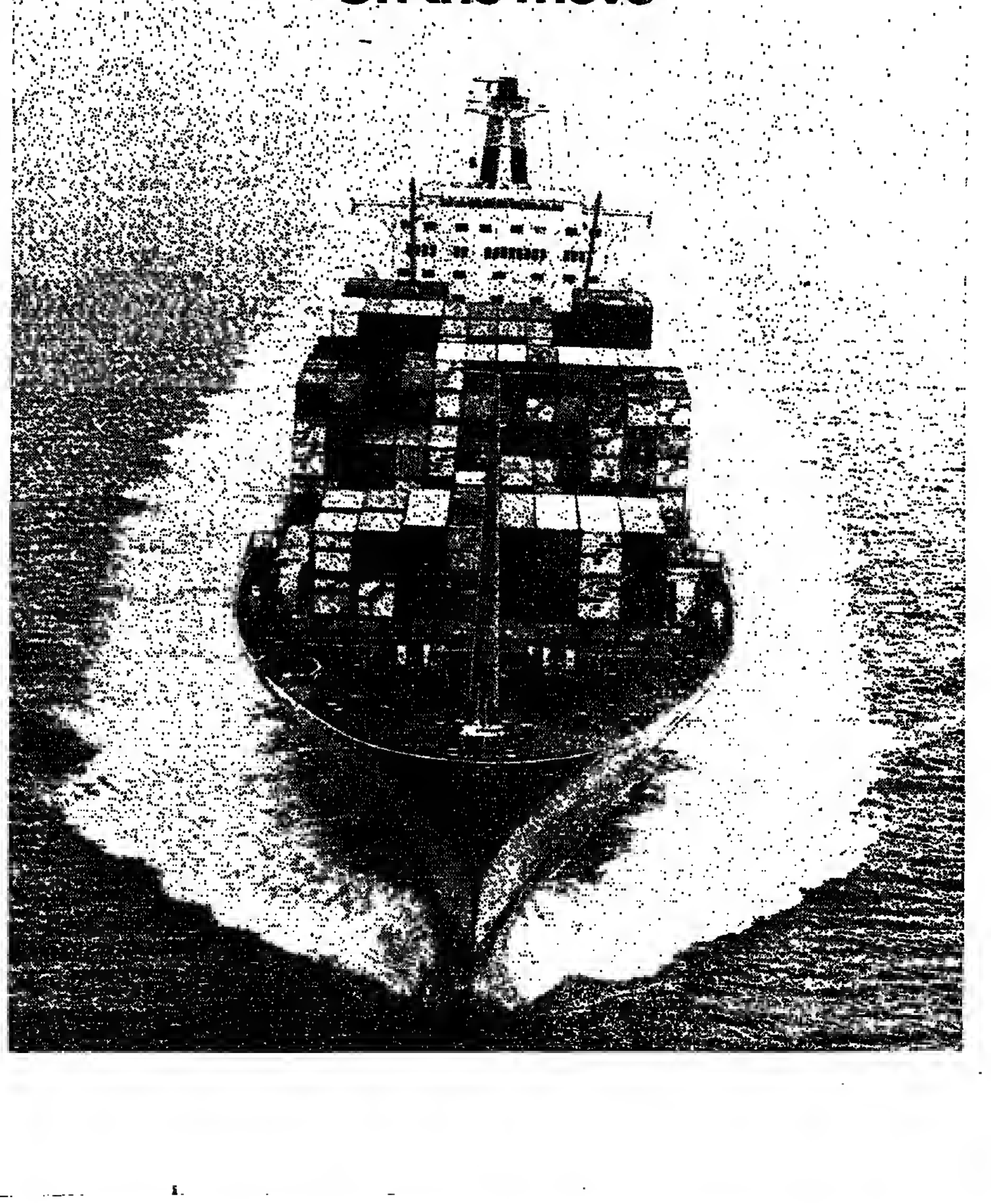
From Mr M. Edwards

Sir,—The rear lights on modern vehicles are designed to be adequate for all conditions except fog. High intensity rear lights have now been added to new vehicles for use in fog. Unfortunately, driving conditions on our motorways are being made more dangerous by inconsiderate drivers using their rear fog lights after dark in all weather conditions.

These lights are dazzling and dangerous, particularly in wet conditions when they create a red "fog" of the spray and the wet road reflects and increases their intensity.

I understand the use of these lights is illegal in other than fog conditions but it would appear to need a public education effort from the Ministry of Transport and more strict interpretation by the police to ensure the cessation of this dangerous practice.

M. A. Edwards.
White House,
Chester Road,
Mere, Cheshire.



FINANCIAL TIMES

Thursday December 15 1983

SYRIAN POSITIONS SHELLED 'TO DEFEND RECONNAISSANCE FLIGHTS'

U.S. Navy steps up bombardment

BY NORA BOUSTANY IN BEIRUT AND ANTHONY ROBINSON IN LONDON

THE U.S. BATTLESHIP New Jersey opened fire with its 16-inch guns yesterday against Syrian-held positions in the mountains North-east of Beirut.

During the heaviest naval bombardment since U.S. ships took up station off the Lebanese coast, the New Jersey fired 11 one-ton shells in what American officials said was "defence of a tactical air reconnaissance mission."

President Reagan said in Washington that the naval action was in keeping with the U.S. policy of defending its troops in the multinational peacekeeping force but not of instigating attacks. "We are not there to shoot first," said Mr Reagan.

The President added that he was not seeking a conflict with Syria and that the U.S. did not want a war.

President Reagan said yesterday that there were two sets of circumstances which would lead to the withdrawal of U.S. troops from Lebanon. One would be the achievement of the U.S. goal of the withdrawal of all foreign forces with Lebanese forces extending their control to the country's border. The other would be a complete breakdown of order in the Lebanon with no possibility of its being restored.

In Damascus, diplomats said that the arrival last night of Prince Saud al-Faisal, the Arabian Foreign Minister, was aimed at persuading the Syrians not to take retaliatory action against the U.S. fleet.

Syria has insisted that U.S. flights over its positions constitute an act of war and officials believe that its forces could inflict serious damage on the U.S. warships.

But the Soviet Union, Syria's principal arms supplier, is believed to be cautioning against any widening of the conflict which could draw in Russian technicians manning the Syrian air defence system.

In London, Mrs Margaret Thatcher, the British Prime Minister, yesterday promised President Amin Gemayel "continuing support in the essential task of reconciliation and its efforts to restore Lebanon's sovereignty, independence and territorial integrity."

But she is also believed to have underlined the British Government's concern for the security of the British and other peacekeeping forces in Beirut and the need for more equitable power-sharing between the Lebanese factions, if the Geneva reconciliation talks are to progress.

A key part of President Gemayel's visit to London is to try to allay strong reservations about the future role of the peacekeeping forces following the recent U.S.-Israeli strategic agreement and other changes in the Lebanese political environment since foreign peacekeeping forces entered the country.

● The conference on Lebanese national reconciliation could resume in Switzerland "in the next couple of weeks," according to Mr Robert McFarlane, in a satellite interview from Washington yesterday, Anthony McDermott adds from Geneva.

Mr McFarlane was until the end of October President Reagan's personal representative to the Middle East, and was thereafter appointed assistant to the President for national security affairs.

This assessment is regarded as more realistic than reports in the local press that this second conference might resume next Monday in Montreux on the east end of Lake Geneva. The first was held during the first week of November.

U.S. group signs deal on N. Sea financing

By Ian Hargreaves and Margaret Hughes in London

NORTH SEA SUN OIL, a subsidiary of Sun of the U.S., yesterday signed an agreement to borrow $400m from a syndicate of 14 banks to finance development of the Balmoral oilfield in the UK sector of the North Sea.

The deal is the first in what is expected to be a wave of financing for the smaller North Sea fields, whose exploitation has been made attractive by advancing technology and by changes in the UK Government's last budget.

Mr Mack Neafsey, Sun's chief financial officer, said that Sun had been waiting eight years for the right climate in which to develop Balmoral. "As far as co-operation between government and industry is concerned, for the development of project like this, the UK is as attractive as anywhere in the world."

Sun, he said, would be spending 70 per cent of its $1bn non-North American capital investment budget in the next five years in the UK.

Mr Neafsey said that several British banks had considered joining the syndicate but, having assessed the risk-reward profile, only National Westminster had come in. NatWest is, together with Bankers Trust, co-lead manager.

All the other banks involved are American, suggesting that the Americans are still proving more aggressive in North Sea lending than the British.

Bank of England figures published earlier this year showed that between 1978 and 1982, foreign banks advanced 55 per cent of the new money absorbed by North Sea projects.

The market share of the clearing banks fell in that period from 36 per cent to just over 28 per cent, mainly to the benefit of U.S. competition. For the Americans, North Sea lending in 1981–82 represented 10 per cent of their UK business.

Sun's loan is for seven years, guaranteed by the parent company until production starts in 1987, but not beyond that. During the initial period, the rate on the loan will float, converting to fixed rate after 1987.

European Court tells Klöckner to pay fines of DM 23.9m

BY PAUL CHEESERIGHT IN BRUSSELS AND JAMES BUCHAN IN BONN

THE EUROPEAN Court of Justice has told Klöckner-Werke, the West German steel producer, that it must pay fines of about DM 23.9m ($8.6m) owed to the European Commission for breaches of the EEC's crisis regulations for the steel industry.

The judgment, delivered in Luxembourg yesterday, brings to an end a long series of actions brought by the company against the Commission. The fines, if paid, would have a fatal effect on the frail finances of Klöckner.

Klöckner-Werke yesterday warned that it would seek an injuncton from a West German court if the European Commission attempted to collect the fine after yesterday's decision by the European Court to reject the company's appeal.

The company said it would take the issue to the West German constitutional court in Karlsruhe if necessary.

Klöckner, which faces fines DM 160m for overstepping the Commission's quota regulations at its Bremen mill, said that it would apply to a court in its base at Duisburg for an injunction if Viscount Etienne Davignon, the industry commissioner in Brussels, tried to "send in the bailiffs."

The company will argue that such an action is unconstitutional since it implies worse treatment for Klöckner than for its subsidised competitors elsewhere in the community. A ruling from Karlsruhe would almost certainly take years.

Klöckner has long claimed that the quota granted to its Bremen mill is far too low for the large and modern plant to work even half-effectively and that a solution must be found. At the same time, the company has been attempting to absorb the official quotas of other producers through acquisition and thus go some way to meet the Commission.

However, Klöckner again made clear yesterday that it could not pay the full DM 160m fines and stave off bankruptcy.

For the moment, the Bonn Government has to endorse the demand for the collection of the fine before the issue goes back to Viscount Davignon.

Klöckner has now run through the legal processes open to it at the European level, but even before its statement yesterday it was predicting a long struggle in the German courts where it would seek to argue that German law had primacy

It was noted in Brussels that the Bonn Government would now be obliged to collect the fine on behalf of the Commission. Normally this process is automatic, but Chancellor Helmut Kohl told Mr Gaston Thorn, the Commission President in June that no fines would be collected while the case was before the European Court.

The court's judgment against Klöckner sprang from an appeal the company made against the imposition of the DM 23.9m fine for exceeding a production quota allotted by the Commission for the second quarter of 1981.

But Klöckner has accumulated fines through its persistent refusal to accept the production quota regime run by the Commission as part of a wider scheme to protect and restructure the EEC steel industry.

US, Japan to lift Indian trade

BY JOHN ELLIOTT IN NEW DELHI

A SHARP increase in investment in India by U.S. and Japanese companies is expected during the next two to three years following visits by missions between the two countries. Industries such as automobiles are receiving special attention from the Japanese, while both countries are interested in electronics, petrochemicals and oil exploration equipment.

This coincides with a sharp increase of up to a third in Indo-U.S. trade, which may outstrip Indo-Soviet trade and total $4bn for the current year.

The figure for the first 10 months of 1983 was $3.4bn, with a small balance in India's favour. The total is $300m higher than the total expected for Indo-Soviet trade for the whole of 1983. The reason for the increased business with the U.S. is not yet fully clear although it has been partly caused by the U.S. buying oil for the first time, worth $430m in 1982–83, leading to increased exports of gemstones, textiles, leather and tea. U.S. exports to India include spacecraft equipment, aircraft, fertilisers and vegetable oils.

A large number of countries are showing increased interest in trade, technical collaboration and investment in India as business possibilities in other parts of the world are reduced.

During the past month, delegations of government ministers and businessmen have visited Delhi from a range of countries, including France, Austria, West Germany, the Netherlands, and Sweden as well as Eastern European countries such as the Soviet Union, Poland and Bulgaria, to negotiate annual trade pacts.

After a two day visit by Mr Allen Wallis, U.S. Under Secretary for Economic Affairs this week, U.S. officials said that "conditions in India are becoming more attractive and there can be more flows of American capital investment into the country."

This is partly a result of India's attempt at liberalising industrial and trade restrictions and its growth rate of about 5 or 6 per cent, bolstered this year by record agricultural crops.

Three U.S. investments now being developed include a semiconductor factory in northern India and steel tubes and vehicle wheels plant in the south. The U.S. is one of India's major sources for industrial collaboration, but until now there has been only limited interest in backing technical transfers with finance.

The Japanese interest in investment started two years ago when Suzuki was chosen by the Indian Government to build a people's car with the state-owned Maruti company. Yesterday, Mrs Indira Gandhi, the Indian Prime Minister, opened the factory, and Mr Eiaichi Hara, the Japanese Ambassador in Delhi, said there was a "new climate for investment."

U.S. energy group sues banks

GHR ENERGY, a U.S. group operating under Chapter 11, bankruptcy rules, has filed two lawsuits totalling more than $3.6bn against 14 bank creditors.

The suits charge the banks with forcing GHR to make fraudulent transfers, wrongfully dominating GHR to the company's detriment and conspiring to prevent it obtaining credit elsewhere.

The banks named in the complaints include Chase Manhattan, Fleet National Bank, American Security Bank N.A., National Bank of Detroit, Continental Illinois and Banque Paribas. Also named was Bellamine Foundation, created by the banks to facilitate the company's loans.

GHR, a privately owned crude oil refining company, filed for Chapter 11 in January 1983 with loans totalling more than $750m and debts of $1.2bn.

The company is asking the court to disallow the 14 banks' claims of $400m. It is seeking to recover "hundreds of millions of dollars" of fraudulent transfers that it says it was forced to make to the Bellamine Foundation.

GHR also alleges that Continental Illinois, Banque Paribas and Chase violated anti-trust and banking laws, and that Continental and Paribas conspired to deny it credit unless they had exclusive credit arrangements.

The suit also charges that the three banks conspired to limit the company's credit line. Reuter

Eagle Star bids raised

Continued from Page 1

Sir Denis countered: "We are not in any correspondence with Allianz. They left us a questionnaire when they met us last Thursday on the points they wanted to raise. We could not see what effect the answers to those questions would have on any offer they wished to make. They have had 2½ years to ask those questions. I am still mystified why they are delaying things."

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	14	57	Dubrovnik	S	10	50	Malaga	F	15	59	Salzburg	S	-2	28
Akrotiri	S	18	64	Faro	C	15	59	Malta	T	10	50	Seoul	S	2	36
Algiers	-	—	—	Florence	-	—	—	Manila	C	29	84	Singapore	F	30	86
Amsterdam	S	0	32	Frankfurt	Sn	-3	27	Miami	C	24	75	Stockholm	C	1	34
Athens	F	10	50	Funchal	F	15	59	Milan	S	2	36	Strasbourg	S	0	32
Bahrain	S	22	72	Geneva	F	2	36	Moscow	S	-8	18	Sydney	S	26	79
Bangkok	S	33	91	Gibraltar	F	15	59	Munich	S	-2	28	Taipei	C	20	68
Barcelona	S	11	52	Guernsey	C	4	39	Nairobi	-	—	—	Tangier	S	15	59
Beirut	S	20	68	Helsinki	C	-3	27	Naples	-	—	—	Tehran	-	—	—
Belgrade	C	-6	21	H Kong	S	24	75	New Delhi	C	24	75	Tel Aviv	F	19	66
Berlin	S	-6	21	Innsbruck	S	0	32	New York	C	12	54	Tenerife	-	—	—
Biarritz	S	13	55	Inverness	C	5	41	Nice	S	12	54	Tokyo	S	14	57
Blackpool	R	9	48	Istanbul	S	7	45	Oporto	R	11	52	Toronto	C	-15	5
Bordeaux	S	6	43	Jersey	F	3	37	Oslo	S	6	43	Tunis	F	12	54
Brussels	S	1	34	Jo'burg	S	27	81	Paris	C	-2	28	Valencia	S	10	50
Budapest	S	-3	27	Las Palmas	-	—	—	Prague	C	-4	25	Venice	-	—	—
B. Aires	C	32	90	Lima	S	24	75	Reykjavik	C	2	36	Vienna	S	-3	27
Cairo	C	22	72	Lisbon	R	12	54	Rio de J'o	C	34	93	Warsaw	S	-8	18
Cape Town	S	25	77	Locarno	S	1	34	Rome	F	11	52	Zurich	C	-1	30
Caracas	S	27	81	London	F	6	43								
Casablanca	S	16	61	Los Angeles	S	20	68								
Copenhagen	S	2	36	Luxembourg	C	-4	25								
Corfu	F	13	55	Madrid	S	5	41								
Dublin	C	6	43	Majorca	S	13	55								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

EEC agrees steel plan

Continued from Page 1

ket cannot be introduced piecemeal. There has to be a package.

If a package is finally agreed it will, on the basis of yesterday's meeting, have three main elements.

First the minimum prices themselves, worked out as a percentage of the existing guideline prices. Ministers failed to agree what exceptions there should be to the general rule. The UK wants special provisions for small producers.

Second, the steel producers will have to deposit a sum, yet to be settled, at a bank approved by the Commission. The deposit, possibly around Ecu 15 ($12.3) for each tonne of steel shipped, will be forfeit if minimum prices are breached. The Ten agreed that the Commission would administer the deposits which are likely to be set at roughly half the level the Commission first proposed.

Third, trade flows will be monitored with the aid of a certificate accompanying any shipment which crosses national borders. It was the intention behind the use of the document which led to the dispute between Germany and Benelux.

The Ten are to establish the level of traditional trade flows. This will be done by taking a reference period. Viscount Davignon is advocating July 1981 to June 1982.

French publishers link to create new group

By David Housego in Paris

COMPAGNIE Européenne de Publication (CEP), the French publishing group, is taking almost a 50 per cent stake in Larousse, publishers of dictionaries and encyclopaedias, under an agreement announced yesterday.

The link-up will give the new publishing concern a joint turnover of FFr 2.1bn ($248.5m), making it the second largest in France after Hachette.

Yesterday's announcement follows a bitter takeover battle last summer when Larousse eventually fought off an unwelcome bid from Presses de la Cité, which announced that it had secured control of 50.47 per cent of Larousse's shares. Larousse was able to repel the bid because the statutes of the 130-year-old company require that any bid have the approval of the managing board. This was refused in September.

Under the new agreement, a new holding company – Group Larousse – is to be set up in which CEP, the Larousse family and the Nathan family will be the major shareholders. The new holding will have as its subsidiaries Larousse and the Nathan group, publishers of school books in which CEP has a 77 per cent stake.

CEP is offering to purchase Larousse shares at FFr 1,030 each, compared with the FFr 830 offered by Presses de la Cité in the summer. The offer puts a value of FFr 210m on Larousse. CEP expects to absorb about 50 per cent of the shares but is not seeking a majority.

Some 35 per cent of the capital of CEP is owned by Havas, the state-controlled publicity agency. The Reed group holds 25 per cent of the shares.

The new chairman of the group is to be M Claude Labouret, currently numbers two on the managing board and a former vice-president of Hachette.

Larousse made a profit of FFr 5.9m on a turnover of FFr 715m last year.

UK unions split by print move

Continued from Page 1

Musicians Union general secretary, did not vote with his accustomed left-wing allies.

However, left-wingers on the council were furious afterwards. Mr Bill Keys, general secretary of the print union Sogat 82, and the man who as Epoc chairman must negotiate with the Government on its Trade Union Bill in company with Mr Murray, denounced the decision.

Mr Keys said the NGA had "no alternative" but to call off its action. He added: "The NGA is the first to be put to the test and we have backed away."

Mr Wade was even more blunt. "What happened today is not only that the NGA has been sold down the river but every trade union has been sold down the river. The policy of the TUC general council is in conformity with the 1980 and 1982 Employment Acts and not the policy of the Wembley conference."

The Wembley conference of 1982 – which was a central issue at yesterday's six-hour council debate – committed the TUC to support unions deemed under attack by the Employment Act. Mr Murray has strongly argued that support is conditional on council approval that the fight is winnable."

In contrast to many council members, Mr Murray said yesterday that Wembley remained on the TUC statute book – but that the council must "consider every decision on its merits."

Mr Murray shrugged off criticism by saying he had often been under attack from unions he had "helped extricate" from impossible positions. He added that he did not refer to the present dispute.

Mr Wade and Mr Tony Dubbins, the NGA general secretary-elect, later angrily denied suggestions that they had wanted the dispute called off by lack of TUC support. Mr Dubbins said it was "an insult to the union and its members."

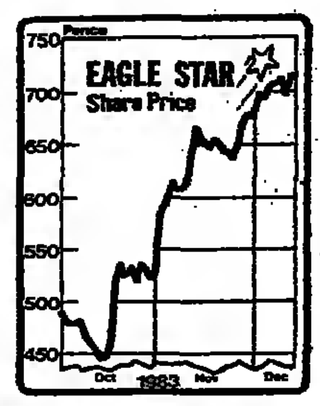
At Warrington, Cheshire, yesterday there was a march by 4,000 people in support of the NGA. It was at the Warrington printing plant of the Messenger group that mass picketing by the NGA led to the union being fined for contempt of court in not obeying injunctions to stop the picketing.

The numbers on the march were well down on the 10,000 predicted by the organisers.

THE LEX COLUMN

Per ardua ad aquilam

The continental European currencies more than sterling benefited from yesterday's profit-taking on the dollar. The markets seem determined to go on worrying about the oil price threat to sterling, despite the proposal from BNOC of an unchanged North Sea reference price. Of course there could be many a slip 'twixt announcement and acceptance of the $30 level; but the markets do appear overly mindful of BNOC's local difficulties with its customers and suppliers earlier this year.



Eagle Star

Either the stock market has developed an uncanny ability to anticipate moves by the two Grand Masters locked in combat at Eagle Star House, or it is dismissing the present round of obscure middle-game manoeuvres as flannel. It may, of course, simply have dozed off in the rear stalls by now. In any event, yesterday's renewed bids had hardly any impact on the Eagle Star share price, which settled 41p above the higher offer at 716p.

None of the parties involved has emerged with much credit from this farrago. BAT Industries has yet to provide a satisfactory explanation for its increasingly expensive incursion into a business of which it has no experience, while the polemical and unhelpful approach being taken by Eagle Star's management towards Allianz is guaranteeing neither fair play, nor a speedy resolution. Even the Take-over Panel has been caught in the mire – an irresolute approach earlier on has created unfortunate precedents and, if the auction drags on into the new year, there will be more still.

But, for obfuscation, no one has been a match for Allianz. A touch of vertigo is understandable in a bid of this size, particularly when the offeror is having to pay more than he had presumably planned. But Allianz seems to be insisting on receiving information from Eagle Star which no bidder can reasonably expect and is being somewhat petty in refusing to provide specific guarantees before they are requested.

As these shenanigans carry on, the suspicion must grow that Allianz's real problem is financing this offer. It is currently arranging a £300m Eurocredit and has made no secret of its wish to reduce the eventual net investment by finding outside partners. But that is no reason to leave Eagle Star shareholders in limbo and the Panel should insist that the end-game gets under way early next week.

Westland

Any hopes that Westland might break decisively out of its trading range of the last four years were disappointed yesterday when pre-tax profits for the year increased by a modest 9 per cent to £26.1m, after more than doubling at the halfway stage.

In fact, the underlying position was rather more positive than this, since the main reason for the declining trend through the year was a variable pattern of research costs, including a £5m provision taken in the second half. More worrying was the trend in sales, which are likely to be flat in the current year even though the order book has been boosted from £385m to £513m.

Disillusion is fully reflected in the share price which, down 3p yesterday at 140p, offers a yield of 8.7 per cent and stands on a p/e of 4.3 on the stated tax charge. The company is in a high-risk phase with a handful of projects, some of which face heavyweight competition. On the plus side, it has won substantial state financial support, while its accounting is conservative. If there is good news on the order front, the share price reaction could be sharp.

Northern Foods

The Northern share price has been under a milky cloud lately, with doubts over the future of UK milk and unhappy news coming out of its investment in the cyclical U.S. hog trade. Yesterday, when Northern showed that it could nevertheless put up a more than respectable showing with a 21 per cent increase in pre-tax profits to £51.6m for the 12 months to September, the shares moved up a grudging 4p to 178p.

Provisions of £8.8m below the line are evidence that the axe has been taken to Bluebird's hog-slaughtering business, and a new management is trying to lessen Bluebird's exposure to the hog price by moving towards a higher proportion of branded goods and a lower rate of killing and cutting. Keystone, Northern's other U.S. acquisition, which supplies McDonalds with meat products, is fortunately going like a train.

There has been very healthy progress at home, too, with a particularly high rate of growth in sales to Marks and Spencer – and a corresponding investment, absorbing much of this year's £35m capital spend. But roughly a quarter of Northern's pre-tax profits still come from liquid milk, under threat from EEC imports, an uncertainty likely to keep the shares from going very far for a while.

Bulmer

Despite a 27 per cent rise in pre-tax profits to £9.2m for the six months to October, Bulmer contrived to leave a sour after-taste in the market yesterday by coupling a less than enthusiastic preview of the next six months to an archaic-sounding proposal to capitalise some of the company's reserves in the form of a preference scrip issue. The ordinary share price dropped by 25p to 248p.

The preference scrip harks back to the days when companies with large-family holdings were apt to wheel out this type of equity bonus in order to get round dividend restraints without diluting family voting control. In Bulmer's case, the preservation of control is again the point, and the reason for making the issue is to provide members of the Bulmer family with a vote-less asset which can be cashed in to settle capital transfer tax bills.

The non-family minority may feel that it has less to gain from this manoeuvre. With roughly a seventh of the market value of Bulmer likely to be shifted into the relatively illiquid new preference shares, outsiders will suffer some loss of marketability without any offsetting increase in their voting power, or anything else.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday December 15 1983

Hoogovens to make further job cuts

By Walter Ellis in Amsterdam

HOOGOVENS, the Dutch steelmaker, is to shed a further 730 jobs between next year and 1986 as a result of deteriorating market conditions and demands for cuts from the European Commission.

The company is also to close one of its four hot strip mills, reducing its annual production in this sector by 1m tonnes.

The Commission called in September for a reduction in capacity by the Dutch steel industry (basically Hoogovens and Nedstaal) of 950,000 tonnes. Hoogovens' decision to exceed this amount on its own is an indication of the poor state of the market and of expectations for the 1980s as a whole.

Last year, Hoogovens announced a major restructuring plan for 1983-85 involving Fl 1.3bn ($418m) of state aid. The total cost of the plan was put at Fl 2.5bn. The aim was to reduce hot-rolled capacity to 4m tonnes annually by 1990, and total raw steel capacity to between 5.8m and 6m tonnes.

At the same time, remaining plant is to be modernised and several new, high-technology furnaces are to be introduced to improve efficiency.

Hoogovens at present employs some 18,000. Under the 1982 plan, the number was to be reduced to 16,700 by the end of 1985. Now the decrease is to be more drastic – to 16,600.

U.S. authority blocks railway group merger

By Terry Dodsworth in New York

THE U.S. Interstate Commerce Commission placed an unexpected barrier into the way of the proposed railway merger between Southern Pacific and Santa Fe yesterday when it filed a "cease and desist" order on the two companies.

The move effectively freezes the merger proposal for the time being, even though Santa Fe shareholders voted overwhelmingly to accept the amalgamation project only yesterday. Executives from the two companies said they were puzzled by the decision, since the ICC has recently approved similar railway combinations.

The ICC is a Federal regulatory agency which looks after interstate commerce, and has particular powers over the railroads, roads and canals. Since the advent of the Reagan Administration it has given the impression of following the Federal Government's policy of reducing regulatory interference in industry and commerce.

Yesterday's decision, however, follows intensive lobbying from the rival Union Pacific Railway Company, which has been seeking to block the combination of the two holding companies that own Santa Fe and Southern Pacific.

Union Pacific has said that it is not necessarily opposed to the merger if it is accompanied by appropriate conditions. But it has taken the matter to a Federal Court in Washington, where its suit was dismissed earlier this week.

Peter Montagnon in London charts the emergence of a secondary market in bank loans

Debt crisis brings new creativity to banking

ALMOST imperceptibly over the past year a market has been growing in international bank loans as banks try to restructure their balance sheets in the wake of the Latin American debt crisis.

At one level, it is a highly exotic market in which Ecuadorian past due receivables – import bills that have not been paid – have changed hands at a discount of 10 per cent from their face value. At another, it is a more mundane market in which banks trade their loans to high quality borrowers in an effort to improve their profitability and create space for new and lucrative business.

Yet at both levels this emerging secondary market in bank loans has added a new dimension to the business of international banking: restoring some business flexibility to banks caught up in the rescheduling crisis and adding a new spur to the moribund syndicated loan market.

In a recent transaction, for example, Bankers Trust of New York engineered a debt exchange with a Brazilian bank that reduced its own Brazilian exposure, while providing Banco Real, the counterparty, with some badly needed liquidity. The deal was not particularly complicated; Bankers Trust simply bought $190m of Banco Real's Mexican loans in exchange for $90m in cash and $100m of its own loans to Banco Real, which were effectively forgiven.

Not only did Banco Real thus end up freed of its obligation to repay Bankers Trust. It also no longer faced the problem of having to fund its Mexican loans in a difficult interbank market and it had some extra cash to set aside as well. The U.S. bank was able to reduce its exposure to Brazil in return for Mexican credits, which it evidently regards as a better risk.

Deals like these are already beginning to have a profound effect on thinking about the debt crisis as banks and borrowers seek out ways of coping with a problem that could otherwise tie up balance sheet resources for years ahead. They are also evidence of a fundamental change in attitudes as the once deep-seated division between the bond and capital markets is steadily eroded.

While the trading of rescheduled debts has been largely a U.S. phenomenon, banks in London have been busy building up a secondary market in loans to top quality borrowers such as Sweden, Belgium and the EEC. In this market the emphasis is less on reducing risk than it is on maximising earnings potential and balance sheet flexibility.

Giants in the Eurocredit market – such as Citibank and Midland – have the resources to commit large amounts to a given borrower for long periods. Their size also gives them closer business relationships than smaller banks – which may not even get a look in at loans to top-rated risks such as Belgium and the EEC. The disadvantage to the big banks is that these borrowers have such clout in the market that they will only borrow at very fine spreads.

Increasingly, the large banks have discovered that one way out of this problem is to sell sub-participation in their loans to smaller banks. Because the sub-participation may only run for, say, three years in an eight-year loan, the bank which buys it will receive a lower margin than the original lender, who pockets the difference as well as the fees paid by the borrower. In this way a large bank can boost substantially its overall return on assets.

Superficially it looks as though the large banks are using this system to gouge the market. The buyer of a sub-participation, after all, receives a lower margin and no fees. Yet, there are apparently many willing buyers.

For some, the sub-participation market offers a chance to diversify lending into credit risks that would otherwise remain inaccessible – Belgium's latest $600m credit allows for a minimum subscription of $15m, which is far too high for a small consortium bank.

For Japanese banks the sub-participation market offers a way of boosting lending without running foul of Ministry of Finance regulations.

The Ministry of Finance in Tokyo sets a rigid limit on the amount of medium-term lending that Japanese banks can undertake in the Euromarkets. There is, however, no limit on short-term lending for periods of less than a year. What better way for a Japanese bank to boost its loan business than buying short-term sub-participations in someone else's loan?

For their part, sellers in the sub-participation market reap several advantages. First they can adjust their balance sheets rapidly, and this may be important for European banks whose capital gearing ratio is continually being undermined by the strength of the U.S. dollar in which most lending is done. As the dollar rises, so does total lending as a proportion of capital which is denominated in a weaker currency such as sterling.

Where country limits are being reached, a large bank can sell part of its existing portfolio to clear space for a more lucrative deal it espies on the horizon. Increasingly this is likely to mean a proliferation of bilateral deals between a single bank and a borrower, as well as club deals from which smaller banks are excluded.

None the less, the total turnover in the secondary market remains small in relation to total outstanding loans. Banks involved in secondary trading of Eurocredits reckon that it is unlikely to have exceeded $2bn this year.

And there are some drawbacks. The case brought by Michigan National Bank of Detroit against Citibank shows that the sub-participation market is a potential legal minefield. Michigan National complained that Citibank forced it to extend the maturity of a $5m sub-participation in a loan to Pemex, Mexico's state oil company, as part of Mexico's rescheduling arrangements.

Some banks are also unclear about how to account for sub-participations that do not run to maturity of a given loan. Does a sale and repurchase agreement really free up the balance sheet when the seller has to take the loan back when the sub-participation runs out?

Some large banks are also now seeking lead positions in syndicated loans with the deliberate intention of selling their share in the sub-participation market. This can conflict with the normal syndication process: lead managers in the recent $800m loan for Algeria had to be forcibly reminded by Bankers Trust, which was running the books, that it was unfair practice to sell short-term sub-participations while syndication was still going on.

Despite these problems, most bankers reckon that the secondary market in bank credits is here to stay. It may never match the secondary market in bonds; nor is it likely to become as important as the primary market in credits. But it is adding to the credit market's flexibility and liquidity.

Go-ahead for Grupo Visa debt conversion

By Our Euromarkets Correspondent

MEXICO'S Ministry of Finance has authorised Grupo Visa, the country's second largest industrial conglomerate, to reschedule about $1bn in foreign debt through the issue of floating rate notes to its commercial bank creditors.

The scheme will allow the rescheduling to be exempt from Mexican withholding tax on interest which currently stands at 15 per cent. Mexican withholding tax is applied against bank credits to private sector companies but not to the issue of securities.

The issue of floating rate notes is one way of getting round the tax, but it is not yet certain that the Mexican authorities have accepted it as a general principle.

Details of the scheme are to be sent shortly to more than 100 creditor banks by the advisory committee headed by Continental Illinois that has been spearheading the Visa negotiations. Under the scheme creditor banks will be asked to change their loans into floating rate notes.

Western Electric to go in last stage of AT&T shake-up

BY PAUL TAYLOR IN NEW YORK

AFTER more than 100 years, Western Electric, American Telephone and Telegraph's (AT&T) manufacturing unit, will cease to exist as a corporate entity on January 1.

AT&T said yesterday that, as "the last structural step" towards the planned Bell System break-up, Western Electric will be dissolved and combined with the operations of its AT&T Technologies group, which includes its main Line of Business (Lob) companies and Bell Laboratories.

The U.S. telecommunications giant said yesterday that AT&T Technologies would combine research, manufacturing and the more than half a dozen Lob's which market equipment and services in the U.S. and abroad.

AT&T Technologies will have $22bn in assets, projected 1984 revenues of $24bn and more than 250,00 employees.

AT&T Information Services, the unit formed to spearhead a push into the deregulated telephone equipment and data processing industry, will remain a separate subsidiary but will report to Mr James Olsen, AT&T vice-chairman, who was also named chairman and chief executive of AT&T Technologies.

Explaining the move, Mr Olsen said yesterday "integrating manufacturing with our lines of business will translate customer needs into products and systems in the fastest and most efficient way. The head of each business unit will now have control over all the resources necessary to be successful, and will be accountable for the profitability of that business worldwide."

The move is seen as a further recognition by AT&T of the need to adopt a structure capable of responding quickly and efficiently to market requirements in order to maintain a competitive position. As part of the reorganisation, Bell Labs, research has also become more directly orientated towards customer and market needs, although its pure research function will continue.

As a result of the changes announced yesterday, Western Electric will cease to publish a separate annual report. However, the name will live on as a brand name on some AT&T products.

U.S. IBH unit still trading

By William Hall in New York

TEREX CORPORATION, the main U.S. operation of IBH, said that the bankruptcy of the parent company would not have any immediate effect on its working. It is developing reorganisation plans under Chapter 11 of the U.S. bankruptcy laws.

The company laid off over 800 workers, on November 21. The remaining 439 workers have been forced to accept wage cuts.

The company has stopped producing new equipment but is continuing to ship new orders from stocks.

German builder sees fall in foreign orders

BY JOHN DAVIES IN FRANKFURT

WAYSS UND FREITAG, the West German construction group, has received fewer orders from abroad for future work.

The value of the company's building work carried out in the first ten months of this year rose 13 per cent to DM 1.03bn ($374m), with an increase in activity both within West Germany and abroad. It expected satisfactory profits this year despite difficult market conditions.

But its order book, which stood at DM 1.2bn at the end of October, was hit by a 40 per cent drop in foreign orders on hand to DM 520m, although domestic orders were up 5 per cent at DM 650m.

Wayss und Freitag said that on the basis of present orders, its foreign activity next year would fall to about 80 per cent of this year's level. But the volume of its building activity in West Germany was likely to be maintained.

Hilti expects earnings gain

By John Wicks in Zurich

HILTI, the Liechtenstein-based manufacturer of power tools and fastening systems, expects group sales to rise by some 3.6 per cent this year to a record SwFr 1.24bn ($556m). The parent company also expects a reversal of last year's downward trend in profits.

Net earnings, which fell by 26.6 per cent in 1982 to SwFr 20.4m, are expected to improve by about 10 per cent.

Osborne formulates scheme for survival

BY LOUISE KEHOE IN SAN FRANCISCO

OSBORNE COMPUTER Corporation has devised a plan to pull itself out of bankruptcy. The California-based personal computer manufacturer has filed a reorganisation proposal in the Oakland, California, bankruptcy court.

Subject to court approval, and the agreement of creditors, Osborne will re-enter the market for portable personal computers under a new management team headed by Mr Ronald J. Brown, former general manager of Osborne's successful international operation. Mr Adam Osborne, founder of the company, will remain chairman of the board.

Osborne aims to license companies in several countries to manufacture its portable personal computer. In the UK, Osborne Computer Corporation UK is already forming plans to make a new IBM-compatible version of the Osborne Executive in Scotland. Osborne UK could have home-built computers ready for sale as early as next April, according to Mr Brown.

In the U.S., Osborne faces more difficult problems due to stronger competition. Mr Brown believes, however, that it will be possible for Osborne to sub-contract or license manufacturing and to continue development of new products. "But we will never be the size we were," he added.

Unsecured creditors, who are owed close to $40m by Osborne, have agreed in principle to the "go forward plan."

Fluor looks for recovery next year

By Our New York Staff

FLUOR, the U.S. engineering and construction services group, said yesterday that it was looking towards a recovery in 1984 after suffering a sharp drop in earnings during its 1983 fiscal year to October.

The company reported earnings of only $27.7m, or 35 cents a share, in 1983 against $152.8m in the previous year. Sales fell from $6.7bn to $5.3bn.

The figures last year were distorted by the disposal of the company's distribution group, against which Fluor made a charge of $26m in the fourth quarter. The same division also ran up a trading loss of $27m during the year.

RAINER AFFAIR DELAYS SWEDISH STATE BANK'S ATTACK ON PRIVATE SECTOR

PKbanken's trip to market is postponed

BY KEVIN DONE IN STOCKHOLM

THE CELEBRATIONS at PKbanken, the Swedish state-owned commercial bank, have turned sour.

Only a few weeks ago the management was exultant that it had persuaded the Government to allow it to make its first public share issue, a surprise measure of partial privatisation by the country's socialist administration.

The launch of the bank's shares on the stock market – for the Government a manoeuvre designed to take a little pressure off the public purse – was seen by the bank's leadership as a way of finally establishing its competitive credibility in the fight against its arch rivals from the private sector, Skandinaviska Enskilda Banken and Svenska Handelsbanken.

Today the picture suddenly looks less rosy. The bank has been caught up in the scandal surrounding the personal tax affairs of one of its former board members, Mr Ove Rainer, who was forced to resign last month from his post as Justice Minister in Sweden's Social Democratic Government.

The share issue is to be delayed – it was originally planned for March – and the consequences of the Rainer Affair could yet spread to the top of the bank's executive management.

The bank's current problems stem from a number of big loans it granted to Mr Rainer in recent years, both during the period when he was Justice Minister and in his former role as head of the Swedish Post Office, which automatically entitled him to a place on the PKbanken board.

Mr Rainer used the interest payments on the loans – his borrowings directly from the bank or arranged through the bank have totalled around SKr 40m ($4.9m) in recent years – to reduce his tax liabilities.

In 1981, for instance, he paid only some 10 per cent income tax on earnings of around SKr 2.4m.

His advanced tax planning was in no way illegal – the office of the Chancellor of Justice cleared away any suspicions of bribery or corruption this week – but in a country with some of the world's highest income tax rates, his actions offended deeply against the Social Democrats' code of morality.

According to Sweden's banking authorities, however, PKbanken's management did act unlawfully in granting loans to a board member without putting the matter first to the board for approval.

The banking inspectorate expressed its continuing confidence in the bank's leadership, but the Government felt the need to try to contain the political damage from the affair. It is removing Mr Lars Sandberg, a former top trade union official and currently also chairman of the national pensioners' organisation, from his post as non-executive chairman.

PKbanken was formed in 1974, through the fusion of Postbanken and Sveriges Kreditbank, as a way of merging the state's banking resources into a force that could compete with the two big private commercial banks.

In terms of assets the new bank was for some time the biggest in Sweden – it has a substantially higher level of deposits than any other and is the leading Scandinavian bank for private individuals.

But in the last couple of years the S-E Banken and Handelsbanken groups have taken the lead. At the end of last year PKbanken had total consolidated assets of SKr 117.2bn compared with Handelsbanken's SKr 120.1bn and S-E Banken's SKr 139.5bn.

PKbanken's most important task is not to match its rivals in size, however, but to close the gap in profitability. According to Mr Rune Barneus, deputy managing director, "We were built up on quantity, but we want to change now into quality."

The bank takes 19 per cent of deposits from households in Sweden, and this stable funding has provided a base for its thrust into the corporate sector. This strength has allowed it to become the leading lender to industry. But the real key to narrowing the lead of its two competitors lies in improving fee income rather than interest earnings.

PKbanken has had to move fast to try to build a staff and an organisation that is capable of meeting the needs of Sweden's big multinational corporations. It has recruited hard from the other banks and from industry. A year ago, it set up a new corporate division modelled on those of the big U.S. banks and staffed by many of the new recruits.

The bank still has a long way to go. Last year it derived only 15 per cent of its total income from commissioned earnings, compared with 28 per cent at Handelsbanken and 33 per cent at S-E Banken, but the picture is improving.

Its immediate capital needs will now be met by a temporary capital injection from the Government. The Finance Ministry clearly thinks the bank needs a little time to rebuild its battered image after the Rainer affair and the appointment of a new chairman.

But for PKbanken's self-confidence and credibility, it is vital that the approach to the markets is not delayed for too long.

Toshiba lifts group earnings by 41%

By Yoko Shibata in Tokyo

STRONG earnings were reported by Toshiba and its 32 consolidated subsidiaries in the first half-year ended September. For the first time group net profits topped those of the parent company.

Mr Yuichi Yamada, senior managing director, said the company's earnings rise should continue not only in the current half year but throughout the next fiscal year, ending March 1985, in view of an unprecedented boom in demand seen for semiconductors.

Group net earnings in the first half year rose by 41 per cent to reach Y26.2bn ($110.9m) on sales of Y1,269bn, up by 7 per cent from the previous year.

During the half year, the company's sales of electrical appliances for the home moved up by 10 per cent to account for 30 per cent of the total. There were strong sales of summer goods, as well as favonrable sales of video cassette recorders (np 20 per cent) and television sets (up 10 per cent)—especially in the overseas market.

Sales of heavy electrical goods declined by 7 per cent to account for 26 per cent of the total.

Sales of electronics components rose by 22 per cent to account for 33 per cent of turnover, thanks to strong sales of semiconductors (up 40 per cent), colour television tubes (up 20 per cent) and office automation equipment (up 25 per cent).

In the current half year, ending March 1984, the sales rise is expected to be maintained, centring on electronics components. Currently, the company's semiconductor manufacturing sector is working at full capacity with three shifts a day and still cannot meet demand.

Initial Capital investment plans for semiconductors for the current year was Y60bn, up 87.5 per cent from fiscal 1982, but the company has decided to increase this to Y90bn. This accounts for 60 per cent of this year's investment total.

Full year consolidated sales are expected to reach Y2,770bn, up 15 per cent, and net profits are projected at Y54bn, up 60 per cent from the previous year.

● Mitsui and Company, the second largest trading house in Japan and the parent of the loose-knit Mitsui grouping, has reported a sharp, 76.8 per cent, fall in group net earnings for the half-year to September. Net earnings fell to Y1.07bn from Y4.6bn a year earlier. Sales were 2.1 per cent lower, down to Y7,760bn from Y7,930bn.

Mitsui's unconsolidated net was 27.5 per cent lower at Y5.06bn on sales 4.3 per cent down at Y6,798bn. Losses on the Bandar Khomeini project in Iran were one of the prime factors in the higher group, as against parent company, fall in earnings.

Barclays National acts to catch up in merger race

BY BERNARD SIMON IN JOHANNESBURG

THE DRIVE by South African financial institutions to broaden their base will pass another milestone after the country's biggest banking group becomes a major shareholder in the third largest insurance company.

Barclays National is spending R135m ($110.5m) to acquire a 30 per cent interest—the most allowed by the Banks Act—in Southern Life Association, an insurance group to be formed by the merger of Anglo American Life, the insurance arm of Anglo American Corporation, and Southern Life Association, a large but low-profile life insurer. The enlarged Southern Life, which is to be listed on the Johannesburg Stock Exchange, will have assets of R3bn.

Barclays' involvement in the transaction reflects the intense struggle among financial institutions in recent years to stay ahead of their competitors. Mr Christopher Ball, the bank's deputy managing director (who takes over as chief executive early next year), points out: "We would not have initiated a round of mergers between lifa assurers and banks. But some of the other guys play the game quite tough. We had to be sure that we were not put in a position where we could be prejudiced."

Barclays has up to now lagged its competitors. Although it has extensive interests in non-traditional banking activities such as factoring, personal financial advice, insurance broking and home loans, it has not co-operated with other financial institutions to the same extent as some other banks.

Just three months ago, Standard Bank Investment Corporation (STANBIC) spent R85m to increase its shareholding in Liberty Life, one of South Africa's most flamboyant insurance groups, from 25 per cent to 50 per cent. (STANBIC was able to go beyond the legal limit of bank holdings in insurance groups by structuring the transaction through holding rather than operating companies.)

Standard and Liberty are also drawing closer to the United Building Society, South Africa's biggest, creating a loose alliance with assets of almost R20bn. Standard and United now have desks in each other's branches. Liberty Life salesmen gently steer their customers to Standard for banking services and to United for home mortgages.

The tightening bonds between banks, building societies, insurance companies and other institutions like pension funds (many of which rely on banks for portfolio management services) have raised considerable controversy.

The concentration of business power in a few hands has become tha most hotly debated economic issue in South Africa for decades. Groupings like Barclays / Southern and Standard / Liberty / United (there are several others) heighten fears that a handful of businessmen are gaining a stranglehold on the economy.

The government tries to circumscribe the powers of the megagroups by, for instance, limitations in the Banks Act on cross-shareholdings among financial institutions and by a ban on conditional selling (banks granting loans on condition that customers use their insurance broking subsidiaries, and so on). But Pretoria is also nervous of being attacked for dampening free enterprise.

"There's no question that it's a tightrope," says Mr Ball, who insists that Barclays will not change its operating style." "We're not going to be predators." Nonetheless, he dismisses critics of the growing power of the financial groups, pointing out that competition between them is fierce. In one Pretoria shopping centre, there are no fewer than five automated teller machines, each costing R60,000, within 100 yards of one another.

Barclays is confident that the transaction will bring it benefits too. To help pay for its 30 per cent holding in Southern Life, Barclays plans an R80m rights issue, which will appreciably strengthen its capital base.

Howard Smith plans bid for Blackwood

By Lachlan Drummond in Sydney

HOWARD SMITH, the Australian coal, sugar, shipping and engineering group, intends to make a takeover offer for J. Blackwood and Sons which values the metals and building products distributor at A$84.8m (U.S.$76.4m).

Smith is to offer A$5.50 a share and has already built a 9.2 per cent foothold at Blackwood, which has appeared a likely takeover candidate for some time because a cyclical downturn in its earnings.

Its share price had risen by 13 per cent this month to A$5.14 before yesterday's bid announcement and there is clear speculation that a rival bidder will emerge with the shares closing 10 cents above Smith's offer yesterday.

In preparation for the bid Smith earlier this month raised A$88m through the sale of large holdings in Adelaide Steamship and BHP, although A$27m of this is earmarked to boost its stake in its R. W. Miller shipping and coal offshoot. Smith also faces a A$80m outlay on other coal facilities.

The proposed bid price for Blackwood represents 15.5 times its earnings for the year to June 30 last of A$5.5m, although on likely future earnings the multiple falls close to single figures. It also represents a premium on Blackwood's stated net assets of A$63m.

Japan relaxes currency rules for foreign banks

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN'S Ministry of Finance has informed foreign banks in Tokyo of a major increase in the "swap limits" under which the banks bring foreign currencies into Japan for conversion into yen.

Under the new system each bank will be allowed to convert foreign currencies up to 75 per cent of the outstanding balance of its yen loans to Japanese borrowers. Previously the swap limits accorded to individual banks varied widely, but the average ratio to yen lending is believed to have been about 30 per cent.

The new rules governing swaps take effect from today and will be valid for six months. In June 1984 the Ministry will revise the limits in the light of yen lending by foreign banks during the second half of tha current fiscal year (October 1983 to March 1984).

The significance of the Ministry's move is that foreign banks in Tokyo are at a disadvantage compared with local banks in funding their yen loans. Foreign banks rely heavily for their local yen funding on short-term money markets such as the Tokyo bill discount market.

Japanese domestic banks, by contrast, draw funds primarily from their large deposit base. Deposit rates in Japan are held at relatively low levels by a system of "guidance" operated by the Finance Ministry and thus provide domestic banks with a cheap source of funding.

The cost of swapping foreign currencies into yen fluctuates sharply in relation to yen funding costs but can sometimes be cheaper, according to foreign banks in Tokyo.

The high costs of refinancing local lending operations have contributed to a steady fall in the profitability of the 80-odd foreign banks in Tokyo.

Meat division boosts Northern Foods to £50m

PROFITS up from £20.6m to £26.4m in the second six months at meat, milk and dairy products group, Northern Foods, have lifted the pre-tax figure to £50.1m for the 52 weeks ended September 30 1983, out of an 18-month period. Comparative result was £41.2m for the previous 53 weeks.

Turnover was £307.1m higher at £1.31bn and directors are paying a second interim dividend of 4.25p, against a 3.75p final. Earnings per 25p share were 18.18p (16.23p).

Mr Nicholas Horsley, chairman, says that the profit improvement was in spite of the problems faced at Bluebird, in the U.S., and the "inevitable uncertainties" on the milk front. He points out that almost all of the increase came from the group's meat-based activities. Pork Farms benefited from major sales growth and there was an excellent full-year's contribution from Bluebird's subsidiary, Keystone Foods Corporation.

An activity analysis of turnover and profits shows: milk and dairy products £283.1m (£273.3m) and £20.1m (£18.7m); meat products £834.7m (£561.5m) and £22.4m (£15.7m); milling and baking £125.3m (£121m) and £7.4m (£7.8m); brewing £22.3m (£21.9m) and £2.3m (£2.1m); other activities (£45.4m (£25.6m) and £3m (£1.8m). Associate companies profit was £2.9m (£2.1m); interest on trading took £10.5m (£9.8m), and there were £2.5m (£2.8m) earnings on overseas investments.

Comparatives for meat products and other activities include only 23 weeks' trading in respect of Keystone Foods.

An analysis by country of net assets, turnover and profits shows: UK £160.2m (£140.4m), £559.6m (£522.3m) and £40.5m (£34.9m); U.S. £20.8m (£24.1m), £751.2m (£481.4m) and £7.1m (£3.5m). Overseas investments net assets totalled £35.9m (£29.4m) and profits £2.5m (£2.8m).

Mr Horsley says that in the milk and dairy division the industry's problems intensified as the year progressed. Margins declined as a result of pressure from retailers. Liquid milk sales, however, became more stable and other fresh milk products "made good progress."

Under milling and baking margins on flour, biscuits and fermented products were under great pressure, the chairman explains, "which volume growth could not offset." He adds that Park Cakes Oldham made excellent progress, particularly in its chilled products business with Marks and Spencer.

Stable meat prices, generally buoyant sales, especially under the brand and to Marks and Spencer in the new product areas, and further overall improvement by Walter Holland, were the highlights at Pork Farms, Mr Horsley states. Baron Meats, however, continued to disappoint.

The chairman says that North Country Breweries had a better year, soft drinks benefited from a reorganisation and good management controls elsewhere were aided by more stable beer sales.

In the U.S., despite the problems with the industry, Bluebird performed better than expected, with a small reduction in profits. With the completion of reorganisation, "some real progress should now be expected," Mr Horsley states.

He adds that Keystone did well, volumes with McDonald's progressed substantially and the consumer service company continued to expand. New ventures in Toronto and Alabama did not contribute in the period.

Trading profits amounted to £56.7m (£47.4m), earnings from investments totalled £4.6m (£5m) and group interest on borrowings took £12.6m, against £12m. Pre-tax figure was after associate's share and a £1.5m (£1.3m) profit sharing allocation.

Tax charge was up from £8.3m to £11.8m and after minorities, £0.8m (£0.6m) and extraordinary debits of £8.8m (£0.1m credits) profits attributable came out lower at £28.7m, compared with £32.4m.

Extraordinary items include £3.3m closure costs at Bluebird, and a further £6m provision which directors say will adequately cover possible losses arising from disposal of assets.

Mr Horsley says that despite these factors the balance sheet remains very strong, and shareholders' funds over this period have increased by £23m to £216.9m.

See Lex

HIGHLIGHTS

Lex looks at the markets where the statement from BNOC that it intends to hold the oil price helped sterling yesterday, but it lost some of its earlier strength against Continental currencies later in the day. The column then goes on to review the latest round of bids for Eagle Star. Northern Foods seems to be sorting out U.S. problems, but at home prospects for milk continue to cloud an otherwise excellent performance. Westland showed a modest profits rise yesterday after taking in around £5m of provisions. Finally Lex comments on the preference scrip issue by Bulmer.

Westland up to £26m and order book higher

AN INCREASE in sales from £283.82m to £325.98m coupled with better margins enabled Westland to raise pre-tax profits by 9 per cent to £26.09m for the year ended September 30 1983 against £23.91m previously. Second-half figures dropped from £17.86m last time to £13.2m.

The directors of this maker of helicopters, hovercraft and control equipment say that with the good trading results for the year and an improved order book, they are raising the final dividend from 4.75p to 5.25p net, making a total of 8.25p (7.5p). Earnings climbed from 26.5p to 32.4p per 25p share.

Westland's current order book stands at £513m, compared with £385m a year ago.

New orders gained in 1983 will help activity in group factories to be maintained and will lead to sales after 1984, the directors state. They are not expecting any sales growth in real terms during the current year, but following heavy capital investment they look for some further improvement in margins.

Pre-tax results were struck after an increase to £18.96m (£13.2m) in research, development and launching costs. This substantially higher figure was due to increased development activity and also to a provision for probable rises in production learning and market development costs for the W30 helicopter.

Interest payments rose from £2.43m to £2.61m. At the attributable level, profits were ahead £5.2m at £18.36m, after lower tax of £5.18m (£7.07m) and extraordinary debits of £0.85m (£2.55m). Minorities took £1.7m (£1.13m). Retained surplus was up from £8.71m to £13.47m.

The directors report that there was a welcome addition to orders outstanding at the end of the year, following the success in winning the Indian Navy Sea King contract and the receipt of important orders for Lynx and Sea King helicopters from the Ministry of Defence. Normalair-Garrett had a good year for orders, while both sales and factory activity were broadly in line with board expectations.

Stocks were kept well under control and debtors and creditors were reduced. Despite a substantial increase in capital expenditure, cash flow was favourable, so that with the receipt in July of the first 25 per cent tranche of the £30m debenture issue, bank borrowings were cut by £18m at the year end.

Current cost pre-tax profits were £19.04m (£16.8m).

See Lex

Scottish & Newcastle progress continues with 40% increase

FURTHER PROGRESS was made by Scottish & Newcastle Breweries with first half 1983-84 pre-tax profits advancing by 40 per cent from £22.5m to £31.6m.

The company which produces beers under the brand names of McEwan's, William Younger's, and Newcastle Brown Ale experienced a £28.6m increase in turnover to £348m during the six months to October 30 1983.

At the operating level profits emerged 23 per cent ahead at £35.3m against £28.6m, and the taxable result again benefited from a reduction in borrowings which resulted in a £2.3m cut in financial expenses to £4.9m. Financial income for the period was virtually unchanged at £1.2m (£1.1m).

In the preceding six month period profits expanded by £5.5m to £18.6m and resulted in a total outcome for the year to May of £41.1m compared with £32.2m. Turnover for the 12 months was £641.8m against £620.5m.

The directors are optimistic that, given a buoyant Christmas season and reasonable weather, this year's outcome should show further progress, though at a lower rate than in the first half.

Reflecting on the first half results, Mr David Nickson, chairman, says beer sales were helped by a good summer. While demand for draught beer remained static, canned beers sold well and this sector continues to grow.

Following an increase in last year's final dividend to give a total of 4.663p, the interim payment is lifted to 1.73p (1.5p) net per 20p share.

After a tax charge of £9.5m (£8.8m) and below the line deductions for preference dividends of £0.3m (same), ordinary dividends £4.9m (£4.2m) the retained surplus was nearly 84 per cent higher at £16.9m against £9.2m.

● comment

The hot summer has helped Scottish and Newcastle as much as any other brewer—and more than most in view of its strong take-home business and heavy presence in the Scottish and North-Eastern markets, themselves so weighted in favour of lager sales. This should not deprive the company of credit due, though, for the achievement of an impressive double, with margins and market share increased simultaneously. The revenue gain appears to have been derived in about equal measure from the autumn, 1982 price rises and a volume sales increase in the latest six months—which puts S and N's volume growth well ahead of the brewing average. Not to be out-done, non-beer profits have also risen strongly. Hotels both in and out of London have performed well, with about half the company's rooms benefiting from the boom in the capital. Net debt has fallen another £4m or so on top of the £22m reduction in last year's second half, slicing a useful £2.2m off the latest interest bill and pushing debt down to about 30 per cent of equity. Pre-tax profits for 1983-84 ought now to top £50m by a comfortable margin and the shares at 99½p, up ½p, are yielding a prospective 7.8 per cent.

Western Motor Holdings losses rise midway

Increased losses before tax of £440,000 against £401,000 have been shown by Western Motor Holdings for the six months to the end of June 1983. The directors say that a small profit before tax was made in the third quarter of the financial year.

In the previous second half profits of £5,000 were made.

Turnover of this Plymouth-based holding company increased from £17.33m to £19.73m.

At the attributable level, losses were reduced from £433,000 to £290,000 after tax of £3,000 (£4,000) and extraordinary and minorities and preference credits.

Losses per 25p share came to 17.26p (17.69p). There is again no interim dividend—the last payment was an interim of 1p net in 1979.

The directors have taken further steps to rationalise trading operations and surplus properties are in the course of disposal. Contracts have been exchanged for the sale of Drake House, Plymouth, for £800,000 with completion at the end of December.

It was not possible to conclude negotiations held with a prospective purchaser of Distributor Deliveries satisfactorily and in view of improving prospects the directors propose to retain this division within the group.

Bambers Stores

Bambers Stores loss of £3.5m in the year to January 1983 may have been understated by £2.6m while shareholders' funds of £15.1m may also have been overstated by up to £7.6m. The estimated deficiency for unsecured creditors is estimated at over £10m. The figures were revealed by Mr Philip Monjack, a senior partner of Leonard Curtis & Co., who has been appointed liquidator of Bambers.

Bambers' share dealings were suspended at 12p in September and within days a receiver had been appointed.

Mr Monjack will be assisted in his investigation of the company by a Committee of Inspection, comprising two shareholder representatives and three from the creditors.

Bulmer rises 27% to £9.2m and lifts interim

H. P. BULMER pushed up first-half 1983-84 pre-tax profits by 27 per cent, from £7.23m to £9.17m, on a 17 per cent rise in turnover to £51.77m excluding excise duty.

A further improvement in profits is expected for the full year, although in his interim statement Mr Esmond Bulmer, the chairman, says at present it does not seem likely that growth in the second half will reach the rate achieved in the opening half—for the 1982-83 year pre-tax profits totalled £13.32m.

Shareholders are told that it is still too early to judge the impact on the group's UK drinks results of the important Christmas trading period.

Although current indications are "encouraging," Mr Bulmer says, it should be borne in mind that the cider results for the second half of last year benefited from an increase in selling prices in September 1982.

He adds that this year, however, when the group increased its cider selling prices last March the directors indicated their intention to hold prices for 12 months against a background of much lower UK rates of inflation.

The "significant" improvement already achieved in the overseas drinks results is expected to continue in the second half, but the group's pectin results are likely to suffer a continuing squeeze on profit margins.

First half earnings are up from 10.67p to 13.14p per 5p share. The net interim dividend is being increased by 0.28p to 2.24p and a bonus issue of two new preference shares for every existing five ordinary shares is proposed.

Trading profits for the period advanced by £1.82m to £9.92m before deducting exceptional debits of £243,000, compared with £175,000. The trading surplus by activity comprised cider £8.84m (£7.91m), wines, spirits and other drinks £609,000 (£256,000), overseas drinks division £194,000 (£499,000 loss) and pectin division £270,000 (£436,000).

Pre-tax profits were after interest charges of £504,000 (£701,000). Tax charge rose from £1.63m to £2.29m and extraordinary debits accounted for £153,000 (nil).

Profits available to ordinary shareholders emerged at £6.66m (£5.53m) after same-again preference dividend payments of £65,000.

Mr Bulmer reminds shareholders that in his statement in the annual report for 1982-83 he warned that cider sales had been depressed by particularly cold and wet weather in May and June.

He says that this situation was partly recovered in July and August and for the half year the group's UK cider sales volume attained a "modest increase."

Its UK wines, spirits and other drinks trading results showed a considerable improvement.

The bonus issue of preference shares is planned to aid maintenance of the group's independence, Mr Bulmer explains that the sharp rise in the company's shares over the past two years has faced Bulmer family interests with a dramatic increase in their actual and potential liabilities for capital taxes which can only be met by the sale of shares in large blocks.

Therefore it is proposed that ordinary holders should be given the opportunity if they wish of realising part of their investment without dilution of their proportionate interest in the group's equity.

See Lex

Motor side gives Cowie a lift

FURTHER RECOVERY was achieved by T. Cowie through the second six months to September 30 1983 and the directors say they are optimistic that the group's improving performance will be maintained.

For the past year pre-tax profits rose by £118,000 to £1.13m, helped by a substantially increased contribution from the motor trade division and lower interest charges.

A final dividend of 1.2p holds the total payment at 2p net—earnings improved from 5.34p to 7.87p per 5p share on a net basis.

Group turnover for the 12 months rose by £11.46m to £104.72m. Pre-tax profits were struck after deducting interest charges of £1.38m, compared with £1.77m.

A divisional breakdown of profits shows: motor trade £874,000 (£619,000), coach travel £105,000 (£308,000), agriculture £68,000 (£18,000), fire, safety and security £51,000 (£137,000) and finance £693,000 (£625,000). Head office and miscellaneous accounted for £663,000 (£697,000).

The improvement in the motor trade sector continued but the coach and travel side suffered because of material bad debts during the year together with the effect of the rail strikes which bolstered the previous year's figures.

In agriculture, better results were achieved, but fire, safety and security disappointed due to a lack of investment in new building work, particularly in the public sector.

Finance was helped by the removal of hire purchase controls and the joint venture company produced a "very satisfactory" profit contribution.

Tax added £22,000 (£175,000 charge) but below the line minorities took £18,000, against £8,000 previously.

Attributable profits totalled £1.13m (£827,000) from which dividends will absorb the same at £401,000. Transfer to reserves was £731,000 (£426,000).

Profits at the interim stage were just £14,000 higher at £325,000 and in their interim report the directors were confident of achieving a full year result comparable with the previous year.

Current cost adjusting reduces the 1982-83 pre-tax result to £815,000 (£476,000) and earnings to 5.27p (0.91p).

● comment

In an industry liberally dotted with fatal casualties a modest profits increase from Cowie may be a fair achievement. Yet the scene of a £¼m drop in trading profits only transformed into a pre-tax advance by dint of lower interest rates is depressing. Only the finance division, jointly owned with Forward Trust, passes without criticism. New car sales look promising in volume terms but with General Motors and Ford locked in combat, margins are wafer thin. In fairness, motor trading profits are struck after exceptionally heavy reorganisation and modernisation costs of £300,000. Coach and travel had its own particular horror story, in fact a double bill. Twice during the year agents left Cowie bussing people around Europe without passing on their ticket money. Bad debts came out at £100,000. And without a train strike coaching profits plummeted. Cowie continues to scan for likely acquisitions, mainly in the motor sector, though with debts of £11m and shareholders' funds of £11.7m there are obvious constraints. Some £1¾m (book value) of properties are up for sale but two-thirds of that represents the Ipswich site which has been on the market for three years. At 38½p a p/e of 4.7 and 7.7 per cent yield is a low, but typical, rating for the company.

Stainless Metalcraft

For the 12 months ended August 31 1983 Stainless Metalcraft topped its prospectus forecast by £51,000 by returning profits for the period of £901,000 at the pre-tax level. The future is viewed with "confidence."

The company came to the Unlisted Securities Market in May this year. Dividend is 2.2p net, as forecast. Last year's profits were £695,000.

Turnover amounted to £3.74m (£3.04m). Earnings emerged at 10.4p (6.98p adjusted), pre-extraordinary debits of £93,000.

Spencer Clark

Reduced pre-tax losses of £161,000 compared with £875,000 have been shown by Spencer Clark Metal Industries for the year to the end of September 1983, with profits of £272,000 in the second half. Lower group overheads, borrowings down to a more acceptable level, and a better quality order book give a pointer to further progress in 1983-84 say the directors.

Turnover of this manufacturer of special steels expanded from £8.5m to £9.26m. Losses per 20p share were cut from 17.53p to 3.22p.

Smith Whitworth

A smaller than expected loss before tax of £27,000 against £106,000 has been produced by Smith Whitworth for the six months to the end of September 1983. The directors say the order book is much improved and, as forecast, a profit is expected for the full year.

Turnover of this maker of textile and carpet machinery fell from £803,000 to £778,000.

Pre-tax losses were struck after interest took £15,000 (£21,000). There was a charge for tax this time of £1,000, and extraordinary credits last time of £10,000.

Jacksons Bourne End

Increased sales of shoe components and polystyrene produce helped Jacksons Bourne End to achieve pre-tax profits of £168,000 for the 28 weeks ended October 15 1983. In the corresponding half year losses of £14,000 were incurred but the company returned to the black in the second half.

The net interim dividend is held at 2p from earnings of 7.6p (0.6p loss) per 25p share. Manufacturing turnover totalled £2.67m (£2.41m). Reorganisation costs accounted for £40,000 (nil).

Notts. Brick holds upturn and profits exceed £1m

THE UPTURN at Nottingham Brick continued in the second half and resulted in a three-and-a-half fold increase in full year taxable profits from £298,317 to £1.05m.

Over the 12 months to September 30 1983, turnover expanded by 35.4 per cent to £7.2m, against £5.32m, from which more than doubled trading profits of £1.16m (£0.52m) were achieved. Interest payable was reduced from £218,343 to £107,007.

At the interim stage profits before tax rose to £359,000 (£32,000) on turnover of £3.29m (£1.88m).

Nottingham and Maltby brick factories have produced and sold record number of bricks, and these high levels of trading are continuing in the current year, the directors state.

A modernisation programme has commenced at the Thurmaston factory, near Leicester, which was acquired in July.

The directors continue to view the prospects for the current year with considerable confidence.

A final dividend of 10p is declared, compared with 5.3p, making a total of 14p against 7.3p. The directors propose to divide the existing 50p shares into two ordinary shares of 25p each, and also to allot, as fully paid, two new 25p shares for each 50p share held.

A tax charge for the 12 months of £295,462 against £56,344 left a net surplus of £753,148 compared with £241,973, equal to earnings per share of 31.8p (10.2p).

Including preference payments of £1,350 (same), dividends will absorb £332,092 (£173,808), leaving a retained profit of £421,056 (£66,165).

Downs Surgical losses reduced

AFTER MUCH higher exceptional debits of £479,000, against £106,000, Downs Surgical surgical instruments and appliance manufacturer, incurred pre-tax losses of £198,000 for the six months ended September 30 1983, but these were well down on the previous period's £354,000.

The improvement at the trading level resulted from better margins, a reduction of general overhead costs and a good performance by the overseas companies particularly the U.S. subsidiary.

Directors say that prospects for the second half look reasonable. There has been a noticeable firming up of the order book, particularly in relation to export sales, and a distribution agreement has been concluded, they state, with a major European distributor. It is enticipated that an agreement will be concluded with an American distributor early in 1984.

Sales for the six months went ahead from £9.05m to £9.33m and the pre-tax loss was after interest charges of £266,000, compared with £314,000.

The exceptional debit for the period comprised redundancy and compensation payments, £92,000, stock rationalisation, £300,000, and capitalised tooling expenditure written off £87,000.

Tax charge was much higher at £110,000 (£13,000) and exchange gains were down slightly at £30,000, against £38,000. Loss per 10p share was 2.05p (2.45p).

There was a single dividend of 0.3p for the whole of last year when losses were £242,000 (£42,000).

The rationalisation programme continues with particular emphasis directed to the reduction of stock and debtor levels, directors state. In this respect, it has been decided to revise group policies on asset valuation, making the fullest provisions against obsolete and slow moving stocks, discontinued product ranges and the writing off of tooling expenditure previously capitalised.

The exceptional expenditure provided in the interim statement, is considered to be an adequate provision to reflect revised policies, they say.

While the rationalisation of existing product range is important to ensure that only profitable items are retained, it is equally important, directors say, for future business to carry out research and development into new products.

There are currently in excess of 50 projects under development, the company having successfully completed 29 covering all aspects of the business in the first six months.

The group has won an export order worth over US$1m (£753,000) for the supply of over 400 lines of general and gynaecological instruments and equipment to the Middle East.

Arlen rights to raise £715,000

Arlen Electrical is to raise about £715,000 net by way of a rights issue of £774,702 11¾ per cent convertible unsecured loan stock, 1990.

The issue is on the basis of £1 nominal of stock for every eight ordinary shares. The stock can be converted into ordinary shares between November 15 and December 14 in any of the years between 1984 and 1989 at the rate of one ordinary share for each £2 nominal of stock.

G. M. Firth (Holdings) has undertaken to take up in full its entitlement to 12.8 per cent of the issue, and will subunderwrite a further £55,878 nominal of the stock. The rest of the issue has been underwritten by Arlen's brokers, Hichens Harrison.

The proceeds of the issue will be used to provide the resources necessary for the stocking, marketing and financing of initial sales of the Arlen Pulsestarter, a new long life electronic starter device for fluorescent lamps.

Arlen has developed the pulsestarter in conjunction with Texas Instruments, which will supply the product exclusively to Arlen.

The company said that delays in the build-up of component production has resulted in production of the pulsestarter not starting until last month.

Arlen announced yesterday its results for the year to June 30 1983, showing turnover at £7.2m (£8.7m), on which the company incurred a trading loss before tax of £3,600—last year's loss was £166,100. Interest charges were down from £306,700 to £174,300 and the pre-tax loss emerged at £163,100, against £472,800. Extraordinary credits added £205,000 (took £359,800). Loss per share amounted to 2.85p (6.82p). The company said that prospects for the next financial year will depend to a significant extent on the new pulsestarter.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Brunner Inv	0.98	—	0.95*	1.83*	1.68*
H. P. Bulmer ......int	2.24	March 5	1.96	—	4.2
Centreway Trust ...int	Nil	—	Nil	—	1
Centreway Inds ......int	0.6¶	Jan 16	1‖	—**	2
T. Cowie	1.2	March 8	1.2	2	2
Fleming Overseas ...int	3	Feb 20	3	—	7
Irish Distillers	5†	Feb 2	3.9	6.5	5
Jacksons Bourne ...int	2	Feb 2	2	—	5
Moorgate Inv ......int	3.25	Jan 9	2.75	—	8.8
Northern Foods Secs int	4.25	Feb 24	3.75	—	5.75
Nottingham Brick	10	Feb 22	5.3	14	7.3
Redfearn Nat Glass	0.1	—	5.28	0.1	8.28
S. & N. Breweries ...int	1.73	Feb 13	1.5	—	4.66
Stainless Metal‡	2.2	—	1	—	2
Thorpac Group‡ ......int	1	Feb 14	—	—	—
Westland	5.25	Feb 9	4.75	8.25	7.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § 18-month period to March 31. ¶ For three months. ‖ For six months. ** Directors intend to pay final of 1.2p for nine months.

Key Market stores form Cullen's expansion base

A NETWORK of larger branches offering foods at keener prices has been established by Cullen's Stores, the delicatessen and off-licence chain.

Operating under the name of Cullen's Markets, the network incorporates five small supermarkets purchased from Key Markets, for £975,000, in the summer and is expected to be increased through an addition of four large Cullen's branches in the early part of 1984.

Mr Peter Cullen, chairman and managing director, hopes to have at least 12 Cullen's Markets in operation by the end of next year.

The five Cullen's Markets are in Sussex, Kent and Wiltshire.

Mr Cullen says: "The creation of Cullen's Markets is in line with the present policy of seeking supermarkets of up to 5,000 sq ft in areas where the larger chains find it uneconomical to operate. In special cases the company would consider taking on a supermarket with up to 8,000 sq ft, which, while still small by the standards of some rivals, will mark a new style of operations for Cullen's."

Referring to a first-half trading loss, Mr Cullen says that while the company still has a long way to go before it returns to trading profitability, he hopes to be able to report more positively in six months' time.

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Roger Parker Organisation

4, London Wall Buildings, Blomfield Street, London EC2M 5NT.
01-588 8161 Telex 8811725 CITLON G.

Pensions Accountant

Accountancy Qualifications not Essential

London W1 **to £12,000**

Our client is the UK holding company of a major multinational group employing some 11,000 people in this country alone.

An exciting opportunity has arisen for a talented and ambitious accountant seeking career development.

With Pension funds in excess of £120M, you will report to the Pensions Manager and be responsible for financial accounts, accounting systems and administering investments: you will also assist in the preparation of valuation reports, and have considerable involvement in ad hoc projects.

Aged 25 to 35, with either several years experience in a company Pensions department, or secretarial/accounting division of a large company, you will ideally have a working knowledge of Pensions Legislation and procedures, coupled with an appreciation of computerised accounting systems.

The excellent terms and conditions of employment include a relocation package where necessary.

To apply, please telephone Rebecca Goddard immediately, quoting Ref RG7417.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Manchester Exchange Trust Limited

INVESTMENT ADVISER LONDON

Age 25-35: Attractive remuneration package

We are a diversified financial services group specialising in providing short-term investment, funding and other treasury-related services to substantial UK companies and building societies. Continuing expansion has resulted in an opening for another investment manager/dealer.

The preferred candidate will have relevant investment experience in short gilts, bonds or deposit markets.

Please reply, with c.v., under personal cover to:

N. R. K. Shephard Esq.
Manchester Exchange Trust Ltd.
Pembroke House
40 City Road, London EC1Y 2AX

As part of their major expansion plans for 1984 one of the City's well known American Investment Banks has created the following positions:-

ACCOUNTANT - TRADING CONTROL

A very specialised role that calls for a qualified accountant with the strength of character to survive in a hectic trading environment.

Responsibilities will be wide ranging, but the emphasis will centre around the verification, control and reporting of the banks' trading results in various volatile financial markets.

This position reports to the Financial Controller and is open to candidates with experience gained from another active trading house.

FOREIGN EXCHANGE ACCOUNTING

This is a similar position to the one above although of a more limited nature, responsibilities in this case will be for controlling, reporting and verifying the results from the banks trading activities in the foreign exchange markets.

GENERAL SERVICES MANAGER

The person sought for this position will be expected to improve efficiency, oversee procedures and control expenditure within the following areas of operation: Communications, Library, Post, Stationery, Catering/Dining Room and Messengers. The GSM reporting to the Operations Manager will be required to make major contributions to the bank in these specified areas. Applicants must therefore be self-starters well used to employing management techniques and be able to exhibit an established achievement record. It is unlikely that applicants under the age of 35 years will be sufficiently experienced.

The remuneration packages will reflect the seniority and importance the bank attaches to these new positions.

Please contact either David Little or Paul Trumble

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

هكذا من الأصل

Credit/Marketing Officer International Banking

SECURITY PACIFIC is a leading U.S. international bank with assets of over 37 billion dollars and nearly 700 branches worldwide.

The current requirement is for a bright, innovative, young banker to join Security Pacific's London-based Middle East Division. The successful candidate will be a graduate who has sound credit skills together with the capacity to develop and manage significant client relationships in a highly competitive environment. Special consideration will be given to applicants who have the ability to support the marketing of electronic banking/cash management products to financial institutions.

The assignment offers excellent long-term career development opportunities. Compensation will be commensurate with qualifications and experience and will include a comprehensive range of generous fringe benefits.

Career details should be sent to:–
Patrick J. O'Hara,
Vice President,
Security Pacific
National Bank,
2 Arundel Street,
London WC2R 3DF.

Settlements Manager - International Securities

Major multinational financial services company, active in a broad range of international and domestic fixed interest and equity markets, requires an experienced settlements clerk to manage and develop a small team.

Minimum 5 years' experience necessary. City location. Salary negotiable but competitive.

Please write in confidence with curriculm vitae to:–
Box A8422, Financial Times, 10 Cannon Street, London, EC4P 4BY.

Corporate Trust Officer

Leading independent Trust Corporation is seeking a suitably qualified person for the position of Corporate Trust Officer.

Applicants will have, ideally, a corporate trust background with experience of the monitoring and administration of Trust Deeds governing quoted Loan Capital, both domestic and foreign. Applicants with relevant legal/financial experience will also be considered.

An attractive and negotiable remuneration package is offered.

Applications in writing to:—

The Secretary
THE LAW DEBENTURE CORPORATION p.l.c.
Estates House, 66 Gresham Street, London EC2V 7HX

APPOINTMENTS WANTED

GRADUATE CIVIL ENGINEER

Mid 40s, experienced heavy civil engineering, particularly North Sea related, past 7 years financial director of highly successful private construction group seeks temporary position, possibly overseas where her considerable managerial and negotiating skills can be fully utilised.

Write Box A8416, Financial Times 10 Cannon Street, EC4P 4BY

A direct line to the executive shortlist

InterExec is the only organization specialising in the confidential promotion of senior executives.

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Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

STOCK EXCHANGE

If you are an experienced practitioner and have passed the Membership Examination, you may be interested in joining our panel of tutors for Stock Exchange subjects. Please write for application form and further details to:

The Senior Tutor (DB)
The Rapid Results College
Tuition House
27-37 St. George's Road
London SW19 4DS

All tuition is given by correspondence. You would need a regular amount of free time and the ability to express yourself well in writing. The College will provide guidance in the techniques of correspondence tuition.

RRC

Specialists in Correspondence Tuition for over 50 years.

University of Strathclyde
Bursar

Applications are invited for the post of Bursar of the University responsible to the Principal and Vice-Chancellor for the finances of the University and for buildings and properties.

High level managerial experience and ability, and professional or academic qualifications relevant to the duties of the post, will be required. Salary at appointment will be within the range, £20,000 - £25,000 per annum with USS pension benefits.

Further particulars may be obtained from
The Registrar, The University of Strathclyde,
McCance Building, 16 Richmond Street,
Glasgow G1 1XQ.

Applications (including curriculum vitae and the names and addresses of three referees) must be received by the Registrar before 31 January 1984

MARKETING DIRECTOR FOREX

A successful established forex management firm seeks a marketing director to aid in the expansion of its existing business to recognised financial advisers. Candidates should have a City background and at least five years currency related experience. A generous salary plus substantial incentive bonus is payable.

Write with full c.v. to Box A8415
Financial Times, 10 Cannon Street, London EC4P 4BY

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The Rotunda, New Street.
Manchester: 061-228 0089
Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.
Belfast: 0232-228768, 22 Great Victoria St., BT2 7ER.

ROUGH TRADE RECORDS
ADMINISTRATOR
CIRCA £12,000 PA

A vacancy exists for a person with administrative, organisational and personnel skills to be responsible for the development and implementation of efficient work systems within a radical and fast environment. The work will involve all aspects of our business although initial emphasis will be the distributive and warehousing activities. Relevant experience preferably with computerised systems is a necessary requirement.

Applicants should submit a full c.v. to:
Box A8421, Financial Times
10 Cannon Street, London EC4P 4BY

SENIOR CONSULTANTS

Well-established consultancy specialising in the expatriate market seeks two self-motivated marketing-orientated consultants with a high level of technical expertise and preferably some knowledge of expatriate life. Minimum age 30. Basic salary £12,000 per annum plus incentives targeting £30,000 plus per annum.

Satisfactory performance will lead to profit share and possible directorship.

Full CV please to:
FELINCRAIG LIMITED
26 Downing Street, Farnham, Surrey

The London-based associate company of a major Middle East banking organisation requires a

CORPORATE LENDING OFFICER

to join its business development team

This officer should have at least 10 years experience in credit assessment and business development with a major international commercial or merchant bank. Business development activities are concentrated primarily in the U.S., Europe and the Far East, so relevant experience in these areas is desirable. Significant international travel is required.

The successful applicant will be offered an attractive package of salary and benefits commensurate with the individual's background and experience.

Please send a detailed resume and salary history to:
Box A8417, Financial Times, 10 Cannon Street, London EC4P 4BY
All applications will be treated in strictest confidence

Accountancy Appointments

UK Financial Controller

Middlesex **c£20,000+bonus+car**

Our client is a UK Sales and Marketing division (t/o $35 million) of a major US-based business equipment multinational.

Reporting to the Finance Director (European Region), the UK Financial Controller is responsible for all accounting and receivables for the division as well as the Data Processing functions utilising a recently-installed IBM System 38 computer. Applicants should be ACAs from one of the "top eight" accountancy firms, will probably be aged under 30 and must have had experience of a sales and marketing environment.

Candidates will be expected to demonstrate exceptional communication skills, staff management expertise and good computer experience.

An attractive package is available for the successful applicant and proven success in this position could well lead to promotion in the UK or USA.

Interested applicants should submit a comprehensive curriculum vitae quoting ref. 959 to Andrew Sales, FCCA, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

FINANCIAL CONTROLLER
(Finance Director Designate)

Based in Bradford, Wm Morrison is a leading regional superstore operator with current year sales in excess of £250m. We are committed to an ambitious expansion programme and in addition to retailing, our interests include food processing and property development.

Reporting to the Managing Director, the right candidate will be ambitious, both personally and for the Company, and can expect a rapid appointment to the Main Board.

Your post qualification experience should ideally consist of a spell with a major professional firm followed by a number of years in fast moving commercial activities. Your responsibilities will include the day to day control of all the Company's administrative and financial functions in a highly developed computerised environment. The main attribute required is the ability to lead and further develop a team of competent, skilled and dedicated people.

The position is very challenging and likely to appeal to you if you are in the age group 32-45. The rewards recognise the importance of this appointment and include an attractive salary, car, non-contributory pension and life assurance, private medical cover and executive share option scheme.

Please write with full career details to
Mr KD Morrison, Chairman and Managing Director,
Wm MORRISON SUPERMARKETS PLC
Hilmore House, Thornton Road, Bradford BD8 9AX

An equal opportunity employer

MORRISONS
The better place to work

Finance Director
An exciting opportunity in the Leisure Industry

£ Negotiable ***North London***

The Ladbroke Group PLC is a major British Company involved in four principal streams of activity – Hotels, Property, Leisure Time and Retailing – business activities that are providing an excellent base for continued growth and success.

Ladbroke Racing Limited's field of activity is off-course betting where we are market leaders with over 1260 shops in the United Kingdom and a fast developing overseas operation currently comprising 200 shops in Belgium. In addition, the Finance Director will be a Board member of two other associated businesses, Ladbroke Index Limited and Ladbroke Racecourse Management Limited.

Reporting to the Managing Director, the Finance Director will be part of the senior management team responsible for the achievement of the business plan in an industry where new technology is bringing about an exciting new image. The functional responsibilities of the position will naturally involve close control of the Management and Financial Accounting Functions. Equally important and perhaps the most challenging aspects of the role will be the contribution to the overall commercial management of the business, particularly its development in the United Kingdom and overseas involving the evaluation and appraisal of major capital projects; property acquisitions and disposals and the management of networked computer services.

Whilst there is a flexibility for candidates with considerable business acumen, we envisage applicants should be Chartered Accountants aged 30-40, who are able to demonstrate a record of achievement working with progressive companies. This should be supported by some international business exposure.

The salary offered is negotiable but we consider applicants should currently be earning c£25K. The excellent benefit package includes an executive share-option scheme. The Group's continuing diversification and growth provide excellent career development opportunities.

Please send full C.V. to K. W. Overton, Managing Director, Ladbroke Racing Limited, Hanover House, Lyon Road, Harrow, Middlesex.

Ladbrokes

A RARE PECUNIARY OPPORTUNITY . . .

COMPANY SECRETARY
FINANCIAL DIRECTOR

A creative Company Secretary/Financial Director is sought by a progressive, private, family business based in Yorkshire manufacturing and distributing largely retailer-orientated products to in excess of 4,500 customers each week.

The products themselves consist of many component parts, which fluctuate significantly in price, and distribution is by a large number of vehicles—in all a complex and challenging business in terms of financial control.

The company has grown significantly in recent years and will exceed a turnover of £20 million this year which is the result of two years' growth at the rate of 20% p.a. Profits have been maintained in excess of 7½% of turnover. Further internal growth is anticipated. However, in order to maintain the momentum of growth, the Directors feel that floatation and acquisition should be seriously considered as an avenue for the future.

The individual we seek therefore should have had a substantial record of achievement as a Financial Director and be capable of bringing to the company considerable strength of knowledge and leadership to the financial arena. Some vision on the practical and effective application of computer systems will be considered of great value. Our systems are generally good but will need constant improvement in order that the company may remain competitive and take the additional loads that may occur as the company expands.

Furthermore, the individual should have had considerable experience in dealing with the whole spectrum of matters relating to company floatation on the Stock Market and should be able to advise the Directors accordingly on the whole issue in conjunction with other advisers where necessary.

The financial package will include equity participation and the individual concerned should be capable of instigating and operating a share option scheme.

The Directors feel that the right individual is essential for this position and the financial package is, therefore, entirely negotiable and it may be that the individual will already be largely financially independent.

This is a particularly challenging opportunity for a hard-working individual with the potential of significant financial reward.

A very complete c.v., together with photograph and any samples of work you have done, should be sent for the attention of the Managing Director, Box A8409, Financial Times, 10 Cannon Street, London EC4P 4BY.

The company reserves the right not to identify itself to unsuccessful applicants.

ACCOUNTANCY APPOINTMENTS
Appear every Thursday

Financial Analysts c£13,000 p.a.

Aylesbury, Bucks. **West London**

CBS

Our position as one of the UK's leading record companies and our plans for future growth are placing ever increasing emphasis on the need for greater financial expertise. To meet this demand we now wish to appoint two Financial Analysts, one based at our manufacturing plant at Aylesbury in Buckinghamshire the other at our distribution centre at White City, West London.

A prime aspect of the jobs is the provision and explanation of financial information for the Sales and Marketing functions to operate successfully and profitably within agreed budgets. Apart from developing the principles and parameters of annual budgets you will provide the financial expertise within the management teams of several business units and will be expected to contribute fully to the decision making process.

Ideally aged 25-30 you will be a qualified accountant with a high degree of drive and enthusiasm. Your skill of communicating effectively and persuasively both verbally and in writing will be complemented by the ability to work on your own initiative, and under pressure to meet deadlines.

Both jobs provide genuine opportunities for personal development and career advancement with rewards to match. In addition to a salary of c£13,000 p.a. there is the substantial package of benefits you would expect from a Company of our prominence in the marketplace.

Please write enclosing a detailed c.v. to Henry Gilbert, Personnel Officer, CBS Records, 85 Barlby Road, London W10.

CBS RECORDS

CHIEF ACCOUNTANT/ COMPANY SECRETARY

Required for privately owned distribution group £5m turnover (£2m export). Based in East London, suit only qualified person with 5-10 years' commercial experience including computer installations of similar industry/size. Attractive financial package. Position available immediately.

Write with c.v. to:
The Managing Director
Horwood Group Ltd
Caterers House, Selsdon Road
Upton Park, London E13 9BX

Accountancy Appointments

Treasury Executive
Age 25-30
£14,500-£16,500

This is an opportunity to join the Treasury team of a large public company in Central London. The group has substantial interests in the consumer products industry.

The appointee will be responsible for the operation and administration of centralised foreign exchange transactions, entailing frequent liaison with divisional management and financial institutions. There will also be involvement in sterling cash management.

Prior experience in treasury management is desirable but not essential. Candidates should possess financial skills of a high order. Graduate accountants, MBA's with a relevant background and bankers wishiog to gain commercial experience will all be considered.

The salary is fully negotiable and there is an attractive fringe benefit package.

Please write in confidence, quoting reference 2305/L and enclosing career details, to N. P. Halsey, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

FINANCE MANAGER
LONDON

UK international trading company seeks CA or equivalent professional qualification with international banking experience and import/export documentation to be responsible for all financial activities of the company and supervision of the accounting department. Candidates ideally aged 30-45 will have proven experience in a similar position. Excellent working conditions and remuneration package.

Please reply in confidence, including cv, to:
Box A8420, Financial Times
10 Cannon Street, London EC4P 4BY

ACCOUNTANCY ACCOUNTANCY ACCOUNTANCY

RH

TAX & TREASURY MANAGER — c£18,000+Car

A successful and expanding U.S. company involved in high-technology distribution throughout Europe offers a broad and challenging treasury role. *This newly* created position reports directly to the VP Finance and is responsible for multi-currency exposure, cash management, risk coverage and European and U.S. taxation. Candidates should be qualified accountants possessing wide head office experience with considerable exposure to the treasury function. BERKS. Ref: JG.

INTERNATIONAL ROLE — £13,500

If you are a young graduate Chartered Accountant, contemplating that important first move out of the profession, a major U.S. corporation can offer you a unique opportunity. As a member of this international audit team you will benefit from an excellent learning environment, enjoy overseas travel and gain exposure to top level management. The company also offers a secondment to the U.S.A. and the opportunity to learn a foreign language per year. LONDON BASED. Ref: JG.

FINANCE CONTROLLER — c£13,000+Car

A small company manufacturing fire detection equipment requires a young, ambitious, qualified accountant to assume responsibility for the entire finance function including company secretarial duties. This expanding subsidiary of a large group can offer exceptional career prospects. Personality and communication skills are as important as technical expertise. HAMPSHIRE. Ref: TAW.

FINANCIAL PLANNING — £14,000

Excellent career opportunity offered by international electronics group. Responsibilities include project analysis, evaluation of marketing strategies, review of multi-million budgets. Candidates should have numerate degree and MBA or accounting qualification, first-class inter-personal skills and ability to work under pressure. NORTH-WEST MIDDX. Ref: CW.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2 01-606 6771

Qualified Accountant (late 20's/early 30's)

FINANCE DEPARTMENT
Exceptional Career Development Opportunity

Enterprise Oil is a new organisation, with substantial oil interests, based in London and preparing for a Stock Exchange flotation.

The Company seeks to recruit an experienced, qualified accountant with the ability and maturity to make a significant contribution to the development of the *Company and the Finance Department in particular.* The successful candidate, who is likely to be in his or her late twenties or early thirties, will join a small and flexible team which deals with all financial aspects of the Company. Previous experience of the oil industry is desirable. The successful candidate may well have specialised in a particular area such as treasury or tax work; however initially he or she will be jointly responsible, together with the rest of the team, for all work done in the Finance Department.

This is an exceptional opportunity for someone of proven ability to participate in and develop the Finance Department, and subject to performing up to expectations, to create for themselves a position of significance with very real scope for further career development.

Suitably qualified candidates who consider that they have the ability and experience to help to develop a department and not just "hold a position" should write, giving full details of age, education, current salary and career to date to:–

Miss Jane Goddard, Enterprise Oil Limited, Chesterfield House (6th Floor), 26 Fenchurch Street, London EC3M 3DQ.

ENTERPRISE OIL LIMITED

Director of Finance
Swindon — **c£22,000+car+bonus**

Our client is a leading US group involved in the development of health care technology with a world wide turnover of $170 million. The UK operation has recently moved to a new freehold site in Swindon and anticipates a 1984 turnover of approximately £10 million.

A high-calibre accountant is now sought to head the total UK finance function and to be responsible for the finance and administration team. Ideally ACA/ACMAs with a manufacturing or process/job costing background, candidates will have had exposure to US reporting techniques and possess a high level of technical expertise. Age indicator: mid 30s.

This challenging role places particular emphasis on the ability to manage a business requiring liaison with marketing, production and general management. Furthermore, the personality and expertise to develop the UK reporting to the US parent company is crucial.

Applicants with a strong personal disposition and acute commercial acumen will find this position stimulating and highly rewarding.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 960 P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

HERON

Financial Controller
Wiltshire — **c£17,000+car+reloc.**

Heron Corporation is one of Britain's largest privately-owned and most diverse groups which has grown consistently since 1965, both organically and by acquisition.

Our client, a Heron multi-locational transport subsidiary, now seeks a high-calibre Financial Controller. Candidates will ideally be ACA's, in their mid-30's, with previous experience in a transport/service industry environment. It is likely that the successful applicant will currently be working as a divisional Chief Accountant/Financial Controller in a *major* group.

Reporting to the Divisional Managing Director with reporting lines to the main board the role's main duty is to administer the finance function of this division. This includes the recruitment and training of an accounts team, the implementation of systems and procedures, and extensive liaison with senior management.

Consequently, an outgoing personality, communicative skills, technical expertise and positive commercial approach are essential. For someone possessing these qualities and upon proven ability, excellent career prospects exist in the medium term.

Candidates should contact **Adrian Wheale on 021-643 6255** or write to him enclosing a comprehensive c.v. at 24 Bennetts Hill, Birmingham B2 5QP.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Management Systems Accountant
Watford — **c£14,000+car**

Our client, an operating division (t/o £50 million) of a UK industrial group, seeks a young qualified accountant to strengthen its financial team.

Reporting to the Divisional Financial Controller, this newly-created position will suit an ACA/ACMA, aged mid-20s, who possesses a mature disposition, excellent interpersonal skills and computer systems experience.

This demanding role offers good commercial exposure and involves:

★ Tightening up the internal audit function on three manufacturing sites.
★ Improving financial information systems, financial procedures and policies.
★ Co-ordinating unit procedures to produce a uniform financial system.
★ Liaising with both Head Office and field personnel.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 961, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Controller
Maidenhead, Berks. — **£ Neg + Quality car**

The Company
Syntex Pharmaceuticals Limited, turnover £30 million. Growth 20+ per cent p.a. Employees 300. Research-based manufacturing/marketing organisation. Character is dynamic, goals driven, hi-tech and people-orientated.

The Job
Results from internal promotion. Full responsibility for financial management/advice. Sterling and Dollar accounting, costing and budgeting. Fully integrated operation. Extensive use of computers and modelling. 13 staff. Deputising for Financial Director.

The Person
Must have experience in manufacturing company and in U.S. reporting systems. Graduate with ACA/ACCA/ACMA. Leadership qualities. Preferably 28-35.

The Rewards
Competitive salary (mid teens), quality car, substantial performance bonus, pension, BUPA and a satisfying stimulating job with prospects.

The next step
Phone or write for a full information package including job description and compensation details to:

Andy Hughes, Personnel Director, Syntex Pharmaceuticals Limited, Syntex House, St Ives Road, Maidenhead, Berkshire, Telephone: 0628 33191.

SYNTEX

Financial Controllers (2) and Unit Accountant
Three major accounting roles

Wm Cory and Son are responsible for managing the energy, waste, aggregates and distribution activities of Ocean Transport and Trading plc. Owing to an impending retirement and internal career progression they wish to make three financial appointments.

Financial Controllers

The Financial Controllers are required for two of our subsidiaries that are expanding—Cory Coal and Cory Waste Management. It is expected that both people appointed to these senior positions will make a major contribution to such growth, whilst maintaining strict financial control. They will also be responsible for compiling business plans and budgets and will assist their Managing Directors in regular reviews of business performance. The successful candidates must be professionally qualified with at least 10 years' post qualification experience. They must demonstrate sound commercial judgement and proven successes in their career to date. Experience in dealing with large sums in several currencies often concerned with overseas transactions would be an advantage for the coal appointment.

Unit Accountant

The Unit Accountant will assist the Commercial Manager in analysing the financial performance of existing businesses, monitoring capital expenditure and other financial controls, and, most importantly, in evaluating projects geared to profitable growth. The requirement is for a young confident chartered accountant with first class professional abilities who is keen to contribute in a stimulating environment.

All positions offer excellent career prospects together with a highly competitive remuneration *package that includes a company car and* assistance with re-location.

Please write in confidence with a concise relevant career history to:
Brian Rayner, Personnel Manager, Wm Cory & Son Ltd., 46/47 Russell Square, London WC1B 4JP.

Wm. Cory & Son Ltd. CORY

Retail Auditing
Establish your career in our growth industry
£13,500

Imperial Inns & Taverns is the newly-formed managed house company of Imperial Brewing & Leisure Limited, trading throughout England and Wales under the Courage and John Smith's names.

As part of the development of our Finance team, we now require a Senior Retail Auditor to ensure that the integrity of Company accounting systems and procedures, as determined by the Head Office, are maintained throughout the Company's operating regions. Based at our Brentford Head Office you will be expected to travel to the Company Regional offices and Retail outlets throughout the country.

We are looking for a highly competent self-starting individual in his/her early thirties to perform this essential and potentially very rewarding role.

As a professionally qualified Chartered Accountant you will have had at least two years' post qualification experience. Previous Managerial experience and good interpersonal skills are an essential part of this key role.

A salary of around £13,500 will be offered and a company car will be provided together with a range of large company benefits including free private medical health insurance.

Please write giving full details to: Mr M. de Coverly, Resourcing Manager, Imperial Inns & Taverns Limited, Thameside House, 42-50 High Street, Brentford TW8 0BB.

Imperial Inns & Taverns

The City University — **Finance Office**

Financial Accountant
Salary £12,346 to £15,311 p.a. Inc,

This is a key post and carries responsibility for the control and management of all the financial operations of The University which has a turnover of £20 million p.a. Computerised accounting methods are extensively used and the successful candidate will be expected to make a significant contribution to the implementation and development of progressive financial information systems using a new dedicated mini-computer.

Qualities required are technical skills, the ability to manage and motivate staff, to communicate effectively and to perform successfully within a policy of firm delegated responsibility.

The right person should have no problem in achieving a high level of job satisfaction.

Applications are requested only from candidates with a recognised accountancy qualification and a proven successful track record in financial accounting.

For further details and an application form please contact Ms Jane Cameron, Personnel Recruitment Assistant, The City University, Northampton Square, London EC1V 0HB. Telephone 01-250 1107 (24 hour ansaphone). Closing date for receipt of applications: 6th January 1984.

CHARTERED ACCOUNTANTS

If you have qualified within the last two years, please hear about the choice of roles at our expanding, five partner firm in W.C.2. Salary is open as we are anxious to reward only the most able.

01-675-4927

JUST LISTEN

YOU DO NOT NEED TO SPEAK

Bourner Bullock - Sovereign House - 212 Shaftesbury Ave - WC2H 8HQ

هكذا اصله الأصل

هكذا منذ الأصل

International Appointments

INTERNATIONAL APPOINTMENTS
APPEAR EVERY THURSDAY

Redfearn Glass loss rises to £3.7m as price cuts take toll

Redfearn National Glass fell further into the red in the second six months to October 2 1983 to finish the year with a pre-tax loss of £3.73m, as against a profit of £0.58m for the previous 53 weeks. At the interim stage, the company reported losses up from £624,000 to £982,000.

Full year sales of this manufacturer of glass and plastic containers dropped by £2.65m to £63.44m. The directors say the main cause of the loss was price cutting of glass containers, which reached a peak in 1983, although a contraction in volume sold was a contributory factor.

In order to maintain trustee status for the shares, there is only a nominal dividend of 0.1p per share for the year, against 8.28p before. Loss per share came to 61.6p (5.76p earnings).

The directors believe that the worst effects of price cutting are now behind the company and that the consolidation of glass operations at the Barnsley site will yield substantial cost savings and enable it to increase efficiency.

Of the total estimated closure costs, £2m is for the cost of redundancies and £2.3m form the write-off of assets. Provision has also been made for the costs of removal and reinstallation of plant at the Barnsley factory and other costs connected with the closure.

Group operating loss for the year amounted to £2.08m (£2.93m profit) before redundancy costs of £416,000 (£1.06m) and net interest payable of £1.23m (£1.29m). There was a tax charge of £5,000 (£218,000) and after extraordinary items and dividends, the company was left with a deficit of £9.19m (£152,000).

The directors say they were compelled by the overriding need to reduce costs and restore profitability to announce in August the decision to close the York factory and to concentrate production at Barnsley. The costs of the closure, estimated at £5.45m, are shown as an extraordinary item in the profit and loss account.

The decision to close the York factory was taken after nearly 200 years operation from the Fishersgate site. A total job loss of some 650 will take place consequent upon the closure and from other redundancies. Unused production capacity at Barnsley has been brought on stream which will minimise production loss and improve utilisation substantially.

To complete the utilisation of resources, the company plans to move its head office to Barnsley next spring, which will give it further advantages of economy and control.

● comment

Redfearn's figures are so ghastly as to defy superlatives. The attributable loss, with extraordinaries, has written off more than half of shareholders' funds, and gearing has shot from last year's 59 per cent to 150 per cent. On a current cost basis, the loss per share before extraordinaries is more than the price which fell 14p to 73p. Optimists would say that the company has nowhere to go but up?and they might be right. All production has now been crammed into the Barnsley factory, which is one of the best and most modern in the business, and which can cope with maybe 90 per cent of previous volume *at very much reduced cost.* Above all, the 5 per cent price increase has been in effect for three months now, whereas last year's doomed 8 per cent rise was never really implemented at all. The industry has finally reduced its capacity to within shouting distance of market requirements, and if Redfearn's two big competitors have not now tired of beating each other to death, they never will. There will be two years to wait for significant profits and dividends, but for gamblers the shares might not be a bad buy.

Centreway Industries rises to £133,000 at 3 months

INDUSTRIAL HOLDING company Centreway Industries advanced from a break-even position to pre-tax profits of £133,000 in the three months to June 30 1983, on higher turnover of £5.9m, against £5.57m. The company, which is 57.6 per cent owned by Centreway Trust, has changed its year end and the current accounting period is the last nine months of 1983.

The interim dividend of Centreway Industries is set at 0.6p, which compares with 1p (adjusted for share split) for the first half of the previous year. The directors intend to pay a final of 1.2p, making 1.8p for the nine months, which on an annualised basis is 2.4p (2p).

Centreway Trust, whose ultimate holding company is Centreway Group, is also not paying an interim and intends to consider the nine month payout when the final results are known. In the meantime the trust is to seek approval to split its 50p shares into five 10p units to widen the market in its capital.

The Centreway Industries directors say prospects for the remaining six months are satisfactory and the outlook for 1984 is encouraging. It will be the first year to include a full 12 months contribution from the 50 per cent interest in Servis Domestic Appliances and the recently acquired computer division. All other divisions are expected to show further progress in 1984, the directors add.

Trading profits amounted to £145,000 (£132,000) and there were central group costs of £53,000 (£49,000) and net interest payable of £125,000 (£100,000). Taxable profits included investment income of £1,000 (£17,000) and an associates contribution of £165,000 (nil).

There was no tax charge (£5,000) leaving net profits of £133,000 (losses £5,000) and stated earnings per share of 0.91p (losses 0.37p). There were also extraordinary debits of £221,000 (£53,000) comprising goodwill on acquisitions of £20,000 (£40,000), a share of related companies provisions for reorganisation costs of £61,000 (nil), and reorganisation and closure costs in respect of termination of subsidiaries trading activities of £140,000 (£13,000).

At the taxable level, Centreway Trust moved from losses of £20,000 to profits of £87,000. These included investment income of £1,000 (£17,000) and associates profits of £165,000 (nil), but were struck after central group costs of £143,000 (£100,000) and net interest payable of £147,000 (same).

The trusts' turnover advanced from £6.04m to £6.48m. There was a nil tax charge (£5,000), minority debits of £71,000 (credits £2,000) and extraordinary debits of £123,000 (£34,000) leaving attributable losses of £107,000 (£57,000). Losses per share are given as 3.23p (8.49p).

The directors say the prospects for the rest of the accounting period are satisfactory and for 1984 they are encouraging because of the much improved outlook of Centreway Industries.

Public Works Loan Board rates

Effective December 14

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	10⅝	10½	10¾	11⅝	11¾	11⅜
Over 3, up to 4......	10⅜	10½	10⅜	11⅜	11¾	11¾
Over 4, up to 5......	10⅜	10¾	11	11⅜	11¾	11¾
Over 5, up to 6......	10¾	10⅞	11⅛	11⅝	11¾	11⅝
Over 6, up to 7......	10⅞	11	11½	11⅞	11¾	11½
Over 7, up to 8......	11	11	11¾	11⅝	11⅜	11½
Over 8, up to 9......	11	11½	11⅝	11⅝	11¾	11⅜
Over 9, up to 10 ...	11½	11¼	11	11⅝	11¾	11½
Over 10, up to 15...	11¼	11⅛	10¾	11½	11½	11¾
Over 15, up to 25...	10⅞	10⅞	10½	11⅜	11⅜	11
Over 25	10⅝	10⅞	10⅞	11⅜	11	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Thermal Scientific ahead to £204,000

IN LINE with expectations at Thermal Scientific pre-tax profits came to £204,200 compared with £156,900 for the six months to the end of September 1983. The directors say the company is on course to achieve the profit forecast of not less than £440,000 given in the placing document when the company came to the USM last August.

Sales of this maker of electrical laboratory furnaces and thermal analysis instruments increased from £1.77m to £2.15m.

The directors point out that figures reflect the trading position of the group as if it had been formed from April 1983. About £73,000 of pre-tax profits relate to pre-acquisition profits.

Thermal Scientific was formed last July as a holding company to inherit by way of demerger Carbolite Furnaces and to acquire Stanton Redcroft. Finance of this transaction was achieved by the USM placing.

There is no interim dividend in accordance with the intention in the placing document, which stated that a final of 1.5p was predicted.

Attributable profits came through ahead from £93,800 to £118,400, and earnings per 25p share as 2.96p against 2.34p.

Yearlings total £19.5m

Yearling bonds totalling £19.5m at 9⅞ per cent have been issued this week by the following local authorities:

Basingstoke & Deane Borough Council £0.25m; Basildon District Council £0.5m; Southwark (London Borough of) £1.0m; St. Helens (Metropolitan Borough of) £1.0m; Torfaen (Borough of) £0.25m; West Dorset DC £0.5m; Carlisle (City of) £0.5m; Kerrier DC £0.5m; Llanelli (Borough of) £0.25m; Malvern Hills DC £0.5m; North Devon DC £0.5m; Westminster (City of) £1.0m; Lambeth (London Borough of) £1.0m; East Kilbride DC £1.0m; Hillingdon (London Borough of) £1.0m; Themesdown DC £1.0m; West Yorkshire Metropolitan County Council £0.75m; Dudley Metropolitan BC £1.0m; Hereford City Council £0.5m; Thameside MBC £0.5m; Wimbourne DC £0.25m; Wirral (Metropolitan Borough of) £1.25m; Cambridge City Council £1.0m; Central Scotland Water Development Board £0.5m; Chiltern DC £0.5m; Sheffield (City of) £2.0m.

Irish Distillers ups profit despite fall in spirit consumption

Despite lower turnover of I£126.69m, against I£132.05m, the Dublin-based Irish Distillers Group raised pre-tax profits from £7.64m to a record £9.71m for the year ended September 30, 1983. Mid-term taxable figures had risen from £4.45m to £4.65m.

A final dividend of 5p net raises the total payment by 1.5p to 6.5p, against a forecast of not less than 6p, made in March at the time of the £9.95m rights issue. Earnings per 25p share rose from 15.7p to 17.55p.

Taxable results were struck after depreciation of £2.19m (£2.05m), lower interest charges of £3.24m (£4.47m) and share of associates' profits up from £49,000 to £71,000.

Tax took £530,000 (£90,000), minorities accounted for £15,000 (£1,000) and last year there was also an extraordinary debit of £3.03m.

The group's freehold and leasehold properties were revalued as at September 30, 1983 on an open market value basis. This led to a surplus of £4.95m, which was incorporated into the books as of that date.

The improved profits were achieved despite the steep decline in spirit consumption in the Irish Republic, writes Brendan Keenan in Dublin.

Spirit sales are now 34 per cent below the peak of 1979 and 1983 continued the trend with a 16 per cent drop. The company believes that all but 10 per cent of the four year drop is due to increases in excise duty and VAT on spirits in recent Irish budgets.

Despite the increases, the fall in sales has more than cancelled out the extra revenue so that the company's payments to the Excise were down £9m this year and £5m last year. The company hopes this will persuade the Irish government to avoid further sharp increases in next month's budget.

What the Irish Exchequer lost, the British Chancellor may have gained. Sales to Northern Ireland were up by a third and it is thought that much of this made its way back to the Republic either through smuggling or the legitimate purchases of the shoppers who now pour across the border every weekend. A bottle of whisky can be up to £4 cheaper in Northern Ireland.

The company has disclosed that 27 per cent of its 1982-83 turnover went into other products such as liqueurs. IDG's improved profitability also owes much to the strength of the dollar in a year when U.S. sales were a record 320,000 cases.

The company's shrinking home market has forced it to concentrate on exports, particularly to the UK and U.S. IDG believes its association with distributors Matthew Clark has proved a success and depletions in Britain were up 34 per cent last year, although the company has still only a fraction of the British whisky market.

IDG's rights issue earlier this year has placed it in a good position to expand exports, with a debt/equity ratio of 32, as compared with 56 before the issue.

Mr Richard Burrows, managing director, concedes that it is a formidable challenge to expand profitably into export markets from a stagnant home base. He is hoping for some help from Irish Finance Minister, Mr Alan Dukes, next month.

Amalgamated Foods profit

Amalgamated Foods, Britain's largest independent food wholesaler, achieved a 29 per cent increase in first half trading profits, and after charges recorded a taxable profit against a loss.

Sales for the 28 weeks to November 12 1983 were £5.66m higher at £120.6m, from which a pre-tax profit of £255,000 was made, against a £365,000 loss.

The improvement reflects the continuing benefits of the changes made in the second half of last year. While it is too early to forecast the outcome of the remaining 24 weeks, the directors are hopeful that sales levels already achieved can be maintained.

The company was hived-off in 1982 from the Dee Corporation, formerly Linfood Holdings, in a £21m management buyout. In the year to April 30 1983 it made an operating profit of £2.62m on sales of £220.31m, but was dragged £349,000 into the red at the pre-tax level by an interest charge of £2.65m and an exceptional debit of £324,000.

Interest charges were £1.09m (£1.4m) in the first half and extraordinary items totalled £139,000, against £179,000.

COMPANY NEWS IN BRIEF

Turnover of deep freeze packager Thorpac Group rose slightly from £1.4m to £1.47m for the six months to September 30 1983, but pre-tax profits of this USM company were lower at £33,000, compared with £58,000.

There is no tax (£5,000 charge) leaving earnings per 5p share down to 1.4p, against 2.3p when there was also an extraordinary debit of £4,000. The net interim dividend is unchanged at 1p—last year's final was also 1p.

The directors explain that although sales of freezer packaging and accessories activities were maintained, profits slipped as a result of increased costs. These were incurred mainly in the launching of a new range of microwave cookware, which has been well received by the trade and the public.

The directors are confident that the growth in sales of this range will continue, bringing an improvement in profit margins in the future.

* * *

Although conditions continue to be difficult for Routledge & Kegan Paul, book publisher, directors are confident of a successful recovery in the 1984-85 year.

Meanwhile, for the six months ended September 30 1983 the company suffered higher pre-tax losses of £49,230, against £20,404 and again there is no interim dividend. Loss per 25p share was 4.4p (1.9p). Turnover totalled £2.56m, against £2.24m.

* * *

Palma Group, formerly Montfort (Knitting Mills), publishes its prospectus today on the placing by County Bank of 5.37m ordinary shares of 25p at 33p each, raising £1.77m.

Dealings are expected to begin on December 20.

Palma completed its reversal into Montfort yesterday when Montfort shareholders at an extraordinary general meeting agreed that the company purchase Palma, and that Montfort should then change its name to Palma Group.

The new company, which manufactures children's hosiery and knitwear, will have a turnover of more than £20m and at the placing price of 33p per share has a market capitalisation of £6.45m.

The funds raised will be used in part to finance new computerised manufacturing machinery to increase efficiency.

* * *

Continuing pre-tax losses of I£1.36m against I£1.79m have been shown by Irish Leathers for the first half of 1983. Sales of this Waterford-based leather manufacturer moved up from £9.57m to £9.91m.

The directors are optimistic that operating results for the fourth quarter will be close to breakeven. In the last full year pre-tax losses came to £2.91m (£114,000).

Further financial support was necessary because of the continuing losses and the directors have recently negotiated with Foir Teoranta for a further £2m in loans.

Losses per 25p share for the six months came to 13.51p (17.7p).

* * *

Henara's offer for sale of 2.6m ordinary shares at 95p each attracted over 1,100 applications for about 5m shares. Full details of allotments for their hair care products company will be announced today.

* * *

The rights issue by Pineapple Dance Studios was undersubscribed. Shareholders took up 89 per cent of the new shares offered. The balance has been sold in the market at a premium of 2p per share over the subscription price.

* * *

Pre-tax losses at Associated Engineering (SA) have been reduced from R9.7m (£5.55m) to R6.8m (£3.89m) for the year to the end of September 10 1983. Turnover of this subsidiary of AE slipped from R83.1m to R65.7m.

There is no dividend compared with 4 cents previously.

After tax of R0.4m (credit R1.2m) losses came to R7.2m (R8.5m).

The directors say that the bulk of losses were accounted for by the AE motor spares division prior to its disposal in May 1983. Despite difficult trading conditions, manufacturing companies operated profitably and warehousing and distribution achieved significant improvements in market share.

Little improvement in economic conditions is seen by the directors for 1984 and movements in interest rates and the relative value of the rand will continue to have an important bearing on group results for the current year.

* * *

Sir Roy Sisson, chairman of Smiths Industries has reinforced his profits growth forecast for the company.

At the annual meeting he told shareholders that the first four months' results were "encouragingly ahead" of those for the corresponding period of 1982-83.

Last month Smiths, which is engaged in motor, vehicle, aviation, building, marine and industrial equipment, reported profits for the 12 months to July 30 1983 of £26.84m against £26.46m, and said 1984 looked to be the year the company would move from the profits plateau of recent year's into a period of profits growth.

* * *

In line with expectations at Unilock Holdings, pre-tax profits declined from £262,000 to £178,000 for the six months to October 1 1983. Interior contracting and international divisions are both below budget at the interim stage, say the directors, but they are confident that year-end results will show an improvement.

Current workloads are satisfactory but the costs of establishing regional centres will be charged during the second half and benefits will not be reflected in profits until 1984-85.

Turnover for the first half slipped from £6.87m to £6.25m. In the last full year pre-tax profits came to £343,000 on turnover of £14.94m.

Earnings per 10p share for the first half fell from 1.03p to 0.77p. The interim dividend has been lifted from 0.325p to 0.425p net, but this should not be taken as an indication of the amount by which the total will exceed the 0.7p paid last year. Shares are dealt in the market created by Granville and Company.

* * *

Newman Industries has reached agreement with the Stanley Thomas Johnson Foundation of Berne, for immediate repayment of short-term loans due to the foundation and settlement of obligations due under leasing arrangements in return for a cash payment of SwFr 6.48m (£2.68m). This has been financed by the UK Temperance and General Provident Institution and the Midland Bank. As a result the structure of the company's balance sheet will be improved and its exposure to foreign currencies reduced.

* * *

At the annual meeting of Castle (GB), the directors stated that at Interbuild, the National Building Exhibition, orders had been received for new kitchen displays valued at almost £4m. The exposure in terms of display will represent a 40 per cent increase.

Castle Bathrooms sold displays valued in excess of £1m, which will represent a 200 per cent increase in exposure.

A new low price suite was also introduced and orders were taken for over 2,000 of these. Benefits will begin to take effect early next year and future prospects look "excellent," say the directors.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:— Arlington Motor, K. O. Boardman International, British Electric Traction, British Steam Specialties, CH Industrials, Continuous Stationery, Cooper Industries, Distillers, Dorana-Lande Rubber Estates, Fuller Smith and Turner, Haslemere Estates, Harold Ingram, London Merchant Securities, Modern Engineers of Bristol, Paterson Jenks, Phoenix Timber, Plysu, Stewart and Wight, TR Trustees Corporation, Tex Abrasives, Tooe Estates, Unigate.

Finals:— AE, Albion, Burco Dean, Elson and Robbins, English China Clays, Flexello Castors and Wheels, Arthur Lee, William Leech, M & G Group, Reliable Properties, Stakis, United Scientific.

FUTURE DATES

Interims:—

Forminster	Dec 21
Oceonics	Dec 13
Sheraton Securities Intl.	Dec 21

Finals:—

Bankers Investment Trust ...	Dec 22
Eldridge Pope	Dec 16
Pict Petroleum	Dec 22
Williams (John) of Cardiff ...	Dec 21

Hanson Trust sells 4% holding in Tate & Lyle

BY DAVID DODWELL

Tate & Lyle shares slipped by 10p *yesterday* to *close at 373p,* following reports in the stock market that Hanson Trust had sold its 4 per cent stake in the company for 372p a share.

Market speculation that Hanson Trust—the industrial holding company which has liquid resources amounting to about £400m—was preparing to mount a bid for *Tate & Lyle* chased the sugar refiners shares up to 410p at one stage last month.

Neither company would comment yesterday on whether any share sale had taken place. Indeed, Hanson Trust has never openly admitted that it held any Tate & Lyle shares. However, market sources reported that Hanson had put through 2.75m shares—amounting to 4.03 per cent of Tate & Lyle's share capital. At a sale price of 372p, Hanson will have added £10.2m to its cash pile.

In April this year, Hanson Trust paid £260m for UDS, the multiple and chain stores group, after a fiercely fought take-over contest. Since then, it has sold three UDS subsidiaries — the Richard Shops womenswear chain, John Collier the menswear retailer, and William Timpson, the shoe shop chain, for a total of £144m.

It has meanwhile built up a 9 per cent stake in London Brick, the monopoly supplier of fletton bricks in the UK which earlier this year successfully fought off a bid from Ibstock Johnsen.

A company spokesman said yesterday that Hanson Trust maintained an interest in buying appropriate companies either in the UK or abroad, but would not disclose whether any specific bids were being considered at present.

BCA builds up in the U.S. with £2.5m cash purchase

BY DAVID DODWELL

Mr David Wickins' British Car Auction Group yesterday revealed that it had reached agreement through its wholly-owned U.S. subsidiary for the purchase of West Palm Beach Auto Auction in a cash deal worth $3.5m. (£2.5m).

Anglo American Auto Auctions, the subsidiary through which BCA has purchased seven other car auction companies in the U.S. over the past 18 months, has agreed to pay $3m on completion of the deal with the Florida-based company, with the remaining $500,000 being paid in a year's time.

A spokesman for BCA said in London that no further purchases were currently being negotiated, but that BCA maintained an interest in expanding its car auction business in the U.S. The eight deals since May 1982 have cost the group an aggregate of more than $30m.

BCA, one of the leading auctioneers in the UK of private and commercial vehicles, now has two car auctioneers in Florida. This part of the U.S. is an important holiday area, with many holidaymakers renting second-hand cars for transport during their vacations.

West Palm Beach operates two auctions, one in West Palm Beach itself, and the second in Fort Lauderdale. Net tangible assets have been warranted at $1m. Net profit before tax for the year that ended on October 31 this year was $490,000. Mr William B. Kemp, the president and majority shareholder in West Palm Beach who has operated the auctions since the 1950s, will remain in the company "for at least one year," BCA said yesterday.

Mr Wickins has been an active dealer in the UK stock market over the past year, as well as in the U.S. He has significant stakes in Attwoods, Group Lotus (where he is chairman), Cope Allman (following an abortive bid for the company as a member of the Dowable Consortium), and I. D. & S. Rivlin.

In September this year, BCA bought a 20 per cent stake in the U.S. quoted vehicle leasing group, Sandgate.

Caparo sells Lawrie to management

Barton Group, a wholly owned subsidiary of Caparo Industries, has entered a conditional sale agreement to sell Lawrie, a waste and scrap disposal business based in Aberdeen.

Caparo, will receive £772,000 in cash including the exercise by Lawrie of an option relating to land in Aberdeen and repayment of an intra group loan. Borrowings will be reduced by about £800,000.

"It was a small little business, away from our main stream concerns which we are selling to three members of Lawrie's present management," said Caparo chairman Swraj Paul.

Lawrie made losses before tax of £84,000 in 1982, but is expected to be in profit at the end of the current year.

The agreement for sale is conditional upon the approval of the ordinary and 4.2 per cent cumulative preference shareholders at an EGM to be held on December 30. A circular has been dispatched to shareholders.

J. E. England

Talks which may have led to an acquisition of J. E. England and Sons (Wellington) have been discontinued. The shares fell 5p to 20p yesterday after the announcement.

Last Friday the loss-making produce supplier and convenience food merchant told its shareholders that it was in preliminary talks with a third party concerning a possible acquisition. The statement came after a rise in the share price of 8p to 25p within a week.

In November the company reported a higher loss of £151,796 (£89,729) for the six months July 2 1983 and passed the dividend payment. For the last full year to January there was a loss of £142,666 and total dividend of 0.88p per share.

Leigh Interests

Leigh Interests, the waste management group, has sold the shares of Mottershead and Smith, its Ford dealership in Birmingham, to a Midlands based motor group. The consideration of £200,000 was paid in cash on completion. Leigh's parent company loans of £350,000 will be repaid in full over six years.

Mottershead and Smith made a loss before tax of £45,000 for the year ended March 31 1983.

Leigh's chairman, Mr William Pybus, comments that the sale is in accordance with the group's policy of divesting itself of activities outside the mainstream waste business.

BIDS AND DEALS IN BRIEF

In April, shareholders of Albert Fisher Group approved the purchase of Wentworth Import and Export. The agreement provided for a deferred consideration of up to £250,000 to be calculated on the basis of £5 for every £1 by which audited pre-tax profits of Wentworth for the 14 months to March 31 1984 exceeded £210,500.

In the event Wentworth has achieved profits of £260,000 to *November 24 1983,* as shown by the management accounts. The Fisher board has therefore determined that useful management and commercial advantages will be achieved by accelerating the timing of the satisfaction of the deferred consideration.

The board of Fisher (excluding D. G. Pearce, a vendor of Wentworth) accordingly has agreed with the vendors of Wentworth to satisfy the deferred consideration of £250,000 by the issue of 357,143 ordinary in Fisher at 70p per share.

The vendors have agreed not to dispose of the Fisher shares prior to March 31 1985 and the shares so issued will not rank for the proposed dividend of 1p, payable on January 13 1984.

* * *

The proposed mergers between Reed Stenhouse Companies and Stenhouse Holdings and Stockley Developments and Trust Securities are not to be referred to the Monopolies and Mergers Commission.

* * *

Imperial Chemical Industries has been notified by Morgan Guaranty Trust Co., of New York, that they now have an interest in £89,177,885 ordinary of ICI of which £84,010,360 is registered in the name of Guaranty nominees.

* * *

DRG and Evode Group have agreed terms for the acquisition by Evode of the Hiflo adhesives business of DRG Kwikseal Products. Completion will take place on March 31, 1984.

Hiflo manufactures hot melt double glazing sealants and hot melt adhesives. Although peripheral to the activities of DRG and DRG Kwikseal Products, the Hiflo business is highly complementary to Evode's existing product range and will further increase its market share in industrial sealants generally and double glazing in particular.

Evode will pay a total of £710,000 for goodwill, know-how and plant and, *in addition,* it will take over stock at valuation. Evode intends to integrate the Hiflo business on to the Stafford site during April, 1984.

MINING NEWS

Australian mining companies reduce capital spending

BY KENNETH MARSTON, MINING EDITOR

A SHARP fall in capital spending by Australian mining companies in the current fiscal year to next June is forecast by the Australian Mining Industry Council (AMIC). Expenditure on total fixed assets is expected to drop to A$2.35bn (£1.49bn) from A$3.31bn in 1982-83.

The 130 companies which responded to the AMIC annual industry survey forecast a drop in spending on mining assets during 1983-84 to A$1.7bn from A$2.24bn. Expenditure on smelting and refining assets was considered likely to fall to A$654m from A$1.07bn.

A major factor in the lower spending forecast is the completion, or near-completion, of major mining and smelting projects which were launched when demand for minerals was *still strong.*

This is a bull point in the sense that the Australians have an advantage in new plant, much of which is paid for. On the other side of the coin, another reason for the expected reduction in spending is the deterioration in Australia's export competitiveness and the world over-supply position in *coal and most metals.*

AMIC said that the decline in spending on refining and smelting is particularly disappointing as greater downstream processing has been widely advocated to add value to exports of minerals.

However, the respondents to the survey indicated that hope still reigns—at least, as far as gold is concerned—with an expectation that spending on exploration will rise modestly in 1983-84 to A$358m from A$343m in 1982-83.

Aggregate net profits of the respondent companies more than doubled in 1982-83 to A$381m from A$177m. The effective after-tax return on average *funds employed improved to 4.7* per cent from 3.6 per cent, but was still below the average rate of 9.4 per cent over the past seven years.

At June 30, the industry's total assets amounted to A$23.58bn, up from A$19.76bn a year previously.

Loraine may boost gold ore production

THE possibility of further raising annual ore production to some 2m tonnes from the present level of around 1.59m tonnes in order to reduce unit costs is being considered by the Anglovaal group's Loraine gold mine in South Africa's Orange Free State.

In the annual report for the year to September 30 Mr D. J. Crowe, the chairman, points out that in the current year at least 1.62m tonnes of unsorted underground ore will be delivered to the mill as a result of the past capital expenditure programme.

Loraine's problem is that as a relatively low grade mine with an average recovery grade in 1982-83 of only 5.3 grammes gold per tonne of ore it also has to contend with high costs. The latter come about as a result of the property's complicated structure of several reefs which extend over long distances at depth.

It also has a loan burden which is being reduced and this takes priority over dividends, the last payment having been of 6 cents (3.5p) for 1974-75. But the mine has sizeable ore reserves and as a marginal producer its fortunes would be very responsive to any sustained recovery in the bullion price.

MINING NEWS IN BRIEF

Lacana Mining Incorporated, a 75 per cent owned U.S. subsidiary of Canada's Lacana Mining Corporation, is to farm-in on the low-grade Santa Fe gold prospect in Nevada which is currently operated by Westley Mines with a 82 per cent interest.

Lacana is now to become the operator, providing technical and financial assistance to bring the property to production at a minimum mining rate of 650,000 *tons a year.*

Lacana must make a production decision by December 1985 and will earn a 51 per cent interest. Westly will retain a 40 per cent stake in net profits and Brican Resources 9 per cent.

So far, Santa Fe is estimated to contain sulphide ore reserves of 4.5m tons grading 0.066 oz (2 grammes) gold and 0.9 oz (28g) silver per ton. Oxide ore reserves are put at 5m tons grading 0.04 oz (1.2g) and 0.45 *oz (14g) silver per ton.*

Australia's Peko-Wallsend says that it has decided to go ahead with the development of the small, but high grade, Explorer 46 gold orebody at Tennant Creek in the Northern Territory. Shaft-sinking should start early next year.

But depressed markets for scheelite (a tungsten ore mineral) have resulted in further cutbacks in production at the group's operations at King *Island off the coast of Tasmania.*

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday December 15 1983

Windward Islands hit by banana surplus, Page 38

WALL STREET

Uncertain outlook prevails

THE IMPLICATIONS of last month's sharp rise in retail sales kept Wall Street subdued yesterday. Bond prices were left to consolidate around Tuesday's closing levels but stocks fell back while investment analysts debated whether the Federal Reserve Board would find it necessary to tighten credit policies in the new year, *writes Terry Byland in New York.*

In the bond market, prices steadied with the help of some short covering operations by professional traders needing bonds to meet selling obligations, agreed when the market plunged on Tuesday morning.

Stock markets, still unsure of the outlook for next year, drifted lower.

The Dow Jones industrial average closed down 9.24 at 1,246.65.

Significant areas of weakness included transport stocks and utility issues, which are always vulnerable to fears of high interest rates because of their high capital financing costs.

Industrial issues looked firm at the opening, helped by suggestions from some brokerage analysts that Tuesday's weaker trend reflected technical considerations inside the market.

Mr Joseph Barthel, Director of Butcher and Singer, commented that the Stock market was "oversold" and that this could spark a rally taking the Dow Jones Average to 1320 "in the next few days."

But with the bond market still lacking genuine retail support. Stock prices began to drift downwards.

The Interstate Commerce Commission put a retaining order on the planned merger shortly after stockholders of both Southern Pacific and of Santa Fe had approved the plan.

Motor issues made little headway despite the renewed strength of car sales disclosed both by the November retail totals and also by yesterday's announcement of sales totals by the major carmakers.

General Motors at $73½ showed a $½ fall.

Small losses were scattered throughout the range of heavy industrials but dealers said that selling pressure was light. IBM, the market bellwether stock, edged ahead by $¼ to $122¼ but the other high technology leaders remained uneasy with Honeywell $1⅞ down at $134⅝.

General Electric fell $⅝ to $57⅛, Westinghouse $⅛ to $54⅜ and Exxon $⅜ to $38.

The strength of the U.S. dollar on foreign exchange markets continued to unsettle pharmaceutical groups which must compete in overseas markets. Bristol-Myers at $41⅛ gave up $1¼.

The AT&T issues continued to head up the list of active stocks. New AT&T slipped $½ to $18¼ on 1.5m shares traded while the old stock, $⅛ off at $64⅛, saw 1.3m shares turned over.

The financial sector was again featured by American Express which recouped $⅝ of its loss to stand at $28¾.

In the credit markets, prices continued a technical rally which showed itself in the closing minutes of the previous session.

Specialists in the bond market now see little chance of prices gaining ground in the short term. The U.S. Treasury will be a heavy borrower in the credit markets in the closing days of this year.

The Treasury announced late on Tuesday that next week's regular auction of Treasury bills would seek $12.8bn – a somewhat larger amount than has been seen at the auctions for the past 10 months.

This early warning of coming Treasury pressures left the market to scan the Federal funds rate eagerly for any sign of the policies of the Federal Reserve Board.

Next week also brings a meeting of the Fed's open market committee which can be expected to deliberate over credit policies.

Treasury bills opened at almost the same levels as overnight, the three-month bill discounted at 9.08 per cent and the six-month at 9.23 per cent. The Federal funds rate edged higher to 9.62 per cent but the flow of funds was distorted by the usual settlement day operations by the banks.

The bond market opened a shade higher and held steady later in the session. The key long bond, the 12 per cent of 2013, traded at 100 5/32, a net 1/32 up and yielding 11.92 per cent.

LONDON

Industrials display resilience

BLUE CHIP industrials moved narrowly, though with a steady to firm undertone in London while Government securities again displayed a lower bias as the pound came under renewed pressure.

The Financial Times Industrial Ordinary index, down 1.5 at one stage, ended the day 0.5 ahead at 751.1.

Insurance issues were at the centre of attention following the improved offers for Eagle Star by Allianz and BAT Industries. Eagle Star which had advanced to 725p late on Tuesday following U.S. interest, fell back at one stage to 698p before recovering to end the session 1p higher at 716p. BAT Industries added 2p to 156p.

Details, Page 31; Share Information Service, Pages 32–33.

AUSTRALIA

DESPITE profit-taking on some recently active stocks, share prices in Sydney hit another record high as the All Ordinaries index gained 3.2 to 754.50.

Funds generated by the Carlton and United Breweries takeover continued to surface, providing strong support in the industrial sector.

CUB, with about 10m shares traded, put on 4 cents to A$3.82 while Elders IXL, at the heart of the bid, rose 15 cents to A$4.15. Other brewers eased following Tuesday's large gains.

BHP shed 10 cents to A$14.00, while oil and gas shares were lively on takeover rumours. MIM added 10 cents to A$3.90, Western Mining firmed 4 cents to A$4.13 and EZ Industries put on 2 cents to A$6.12.

HONG KONG

INSTITUTIONAL investment, both local and overseas, helped boost prices and volume in Hong Kong yesterday pushing the Hang Seng index 11.95 up to 874.76.

Hutchison Whampoa firmed 30 cents to HK$ 14.50, Jardine Matheson added 20 cents to HK$ 11.50, while Swire Pacific A gained a similar amount to HK$ 14.60.

Hang Seng Bank posted one of the highest gains of the session with a 75 cent rise to HK$ 37.75, with Hongkong Bank 5 cents stronger at HK$ 7.00.

SINGAPORE

SMALL price movements in Singapore edged the Straits Times index 1.82 lower to 985.44 in moderate trading.

In banks, UOB picked up 5 cents to S$5.85, while Malay Banking was unchanged at S$9.30. Elsewhere, Sime Darby eased S$2.37.

Properties were mostly unchanged and commodities were generally mixed.

SOUTH AFRICA

BANKING SHARES were again at the centre of attention in Johannesburg and Volkskas added 60 cents to R10.10.

However, there were no trades in Barclays National Bank which announced a R80m rights issue earlier in the week to fund its purchase of a 30 per cent stake in a new insurance group. Barclays stood at R19.50.

A slightly lower bullion price left gold shares easier although selling was mainly restricted to domestic investors.

Among heavyweight producers, Buffelsfontein shed 25 cents to R67.75 and Durban Deep was R1 lower at R31.

Other metals were also lower, with Impala Platinum down 15 cents to R15.60. Diamond share De Beers was unchanged at R9.20.

Industrials mostly moved ahead although Sasol dipped 30 cents to R7.50.

CANADA

CONTINUED losses in gold shares and new weaknesses that developed in oil and transport issues took shares lower on balance in Toronto.

A weaker mood also emerged in Montreal led by declines in industrials, utilities and papers, although bank issues managed gains.

EUROPE

Frankfurt spotlight on Allianz

THE CENTRE of attention in **Frankfurt** trading yesterday was market reaction to Allianz's seemingly impossible task of convincing UK shareholders of the merits of its latest bid for Eagle Star. The West German insurance group's new 665p per share bid for Eagle was topped within minutes by BAT Industries and investors judged a DM 25 drop in share price to DM 797 as suitable reward for the group's sortie across the Channel.

Elsewhere, the market remained obstinately lower, although the Commerzbank index, calculated at midsession, was 1 higher at 1,016.3.

The main exception to the overall decline was Daimler-Benz, DM 5.50 higher at DM 664 to consolidate its recovery from the sharp drop prompted by its rights issue. BMW ended DM 6 lower at DM 425.80 and VW also saw a DM 1.70 loss to DM 203.70.

Electricals saw Siemens dim by DM 3.30 to DM 372.30 while machine manufacturers were much weaker with KHD off DM 8 at DM 250 and Linde at DM 387, DM 2 lower.

Some banks managed to contain losses within reasonable limits, with Dresdner DM 4 off at DM 160, Commerzbank DM 2.70 down at DM 159 and Deutsche Bank DM 2.50 weaker at DM 311.

Bonds closed broadly lower in moderate trading. Dealers attributed the decline to U.S. interest rate fears and the 10-year high for the dollar against the D-mark. Domestic bonds were as much as ½ point lower and the Bundesbank bought DM 50.3m in public bonds compared with Tuesday's DM 44.4m.

Amsterdam finally staged a retreat from its record breaking run as profit-taking trimmed between Fl 1 and FL 3 off most shares and left the ANP-CBS index 1.3 lower at 155.4.

Heineken, particularly weak following reports that U.S. import controls may hit its market share there, lost Fl 1.30 to Fl 125.50, while other internationals to decline were KLM, 80 cents off at Fl 191.30 and Akzo, 40 cents lower, at Fl 88.30.

Domestic bonds slumped following declines in New York the previous day.

Swissair and most insurances closed sharply higher in **Zurich** with other blue chips mainly steady. The Swiss Bank Corporatinn industrial index finished up 1 point higher at 372.50.

A SwFr 17 rise to SwFr 960 for Swissair greeted reports that the airline's earnings would recover faster than expected and that earnings could double to reach near SwFr 100m for 1983.

Banks held steady while some major industrials moved ahead strongly.

Technical factors brought **Milan** slightly higher, although the market continues to have reservations about Italmobiliare, shares of which have fallen steadily throughout this year.

A 1.3 per cent fall in industrial output did little to inspire, although most industrial stocks posted small gains. Banks were mixed.

A weaker tone emerged in **Paris** on year-end profit-taking and the Bank of France's ¼ percentage point rise in call money to 12 per cent.

Constructions, engineerings, stores and chemicals posted gains however, while hotels, electricals and oils were easier. Banks, foods and metals were mixed.

Steel shares sustained the sharpest falls in **Madrid**, while chemicals managed to hold onto advances. Some oil related issues also improved.

TOKYO

Liveliness reappears in speculatives

SOME LIVELINESS reappeared in Tokyo yesterday as speculative stocks drew attention in late trading, though investor interest remained generally subdued after a three-day losing streak, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average of 225 select issues closed 15.61 higher at 9,401.17 after recouping a 10.62 loss at the end of the morning session. But losers still outpaced gainers 356 to 309, with 213 issues unchanged. Trading was slower at 263.44m shares, compared with Tuesday's 274.41m.

Market participants were in no mood to make long-term investments and moved in only when they could take advantage of small, but swift, price fluctuations. Slack foreign buying also added to the market's weak undertone.

Most blue chips were out of favour, with Sony losing Y20 to Y3,320 and TDK Y10 to Y5,310. But Toshiba, the day's most active issue with 33.66m shares traded, rose Y5 to Y400 on continuous active buying from overseas.

Nippon Kogaku shed Y40 to Y1,010 on profit-taking while Tokyu Construction rallied Y40 to Y418.

Some budget-affected issues, constant losers in recent sessions on sacrifice selling by margin buyers, advanced in late trading, as dealers at securities firms stepped in for support buying on their own accounts.

Bond Trading was slow, as dealers were preoccupied with the Bank of Japan's buying operation for government bonds worth Y100bn, with payment set for December 23. The operation was intended to infuse funds into the nation's financial market to cope with a massive fund shortage expected on that day.

The yield on the benchmark 7.5 per cent government bond due in January 1993 closed at 7.515 per cent, compared with Tuesday's 7.505 per cent.

KEY MARKET MONITORS

STOCK MARKET INDICES

	Dec 14	Previous	Year ago
NEW YORK			
DJ Industrials	1246.65	1255.89	1009.38
DJ Transport	594.26	604.45	435.10
DJ Utilities	132.42	134.15	118.31
S&P Composite	164.20*	164.93	137.39
LONDON			
FT Ind Ord	751.10	750.60	586.60
FT-A All-share	463.21	463.50	377.91
FT-A 500	493.86	494.55	417.31
FT-A Ind	455.10	528.64	391.01
FT Gold mines	577.50	584.30	508.70
FT Govt secs	82.30	82.43	78.83
TOKYO			
Nikkei-Dow	9401.17	9385.56	7913.62
Tokyo SE	696.19	695.30	582.63
AUSTRALIA			
All Ord.	754.50	751.20	479.50
Metals & Mins.	550.90	547.60	407,70
AUSTRIA			
Credit Aktien	54.57	54.23	48.51
BELGIUM			
Belgian SE	133.58	132.81	99.70
CANADA			
Toronto Composite	2528.0*	2538.60	1858.40
Montreal Industrials	442.77*	445.46	316.29
Combined	426.29*	428.70	313.33
DENMARK			
Copenhagen SE	n/a	198.46	91.57
FRANCE			
CAC Gen	151.20	151.90	100.80
Ind. Tendance	161.70	163.10	120.50
WEST GERMANY			
FAZ-Aktien	343.92	343.77	249.04
Commerzbank	1016.30	1015.70	752.10
HONG KONG			
Hang Seng	874.76	862.81	803.84
ITALY			
Banca Comm.	183.62	182.78	164.14
NETHERLANDS			
ANP-CBS Gen	147.20	148.60	100.30
ANP-CBS Ind	120.90	122.00	83.40
NORWAY			
Oslo SE	213.94	215.42	99.67
SINGAPORE			
Straits Times	985.44	987.26	750.42
SOUTH AFRICA			
Golds	842.80	850.30	910.90
Industrials	933.10	929.80	728.20
SPAIN			
Madrid SE	120.44	121.10	96.73
SWEDEN			
J & P	1480.87	1499.09	847.43
SWITZERLAND			
Swiss Bank Ind	372.50	371.50	281.00
WORLD	Dec 13	Prev	Yr ago
Capital Int'l	180.20	181.10	150.90

* Latest pre-close figure; 1 Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Dec 14	Previous	Dec 14	Previous
$	–	–	1.417	1.4195
DM	2.768	2.768	3.9225	3.9325
Yen	234.95	236.25	333.25	335.5
FFr	8.4375	8.45	11.9525	11.9925
SwFr	2.2115	2.22	3.1375	3.1525
Guilder	3.1025	3.1055	4.40	4.41
Lira	1671.5	1675	2368.0	2377.0
BFr	56.26	56.19	79.7	78.75
C$	1.25025	1.25025	1.7705	1.7745

INTEREST RATES

	Dec 14	Prev
Euro-currencies (offered rate)		
£	9⅝	9 9/16
SwFr	4⅝	4 11/16
DM	6 7/16	6 7/16
FFr	13⅝	13½
FT London Interbank fixing (offered rate)		
3-month U.S.$	10½	10⅜
6-month U.S.$	10 11/16	10½
U.S. Fed Funds	9 9/16*	9½
U.S. 3-month CDs	10.05*	9.95
U.S. 3-month T-bills	9.10*	9.075

U.S BONDS

Treasury		Dec 14 Price	Dec 14 Yield	Prev Price	Prev Yield
10½	1985	99 12/32*	10.86*	99 11/32	10.86
11½	1990	98 16/32*	11.86*	98 17/32	11.85
11.75	1993	98 24/32*	11.93*	99 3/32	11.91
12	2013	100 5/32*	11.92*	100 4/32	11.99

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	69–19	69–30	69–17	69–22
U.S. Treasury Bills (IMM) $1m points of 100%				
December	90.94	90.99	90.93	90.97
Certificates of Deposit (IMM) $1m points of 100%				
December	90.07	90.20	90.07	90.19
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89.41	89.42	89.35	89.41
20-year Notional Gilt £50,000 32nds of 100%				
December	108–15	108–16	107–25	108–00

COMMODITIES

(London)	Dec. 14	Prev
Silver (spot fixing)	660.45p	657.55p
Copper (cash)	£993.50	£999.00
Coffee (Jan)	£2156.50	£2114.50
Oil (spot Arabian light)	$28.30	$28.27

GOLD (per ounce)

	Dec 14	Prev
London	$388.375	$389.375
Frankfurt	$389.00	$390.00
Zürich	$389.00	$389.75
Paris (fixing)	$389.93	$391.24
Luxembourg (fixing)	$390.50	$389.80
New York (Dec)	$388.50	$390.30

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅛	6⅝	AAR	.44	2.9	19	31	15	14⅞	15	+ ⅛
52⅛	29½	ACF	1.40	2.8	29	321	50½	50¼	50¼	− ⅛
19	18¼	AMCA	n			1	s19¼	19¼	19¼	+ ⅛
16⅞	14¼	AMF	.50	3.2		232	15⅞	15⅝	15⅝	− ⅛
39⅛	18½	AMR Cp			18	7708	37⅛	35⅞	36	− ⅞
19½	15	AMR	pf2.18	12.		31	18⅝	18⅝	18⅝	− ⅛
40¼	24⅞	AMR	pf2.13	5.8		18	36½	36	36	− ⅛
16⅞	3⅛	APL			23	72	15⅝	13⅞	15½	− ¼
55⅛	33⅛	ARA	2.05	4.0	11	22	51½	51¼	51¼	− ¼
75⅝	50¼	ASA	3a	5.4		310	56½	55⅛	56	− ¼
33⅛	14	AVX	.32	1.2	40	49	26¼	25⅞	26⅛	+ ⅛
53⅛	36⅞	AbtLab	1	2.2	17	1227	45¼	44⅝	44⅞	− ¼
30⅝	23⅛	AccoW	n.66	2.1	55	306	28⅛	27½	28	+ ½
27½	16¼	AcmeC	.40	1.6		10	29	25½	25½	− ¼
14⅛	7⅛	AcmeE	.32b	2.7	58	13	12	11⅞	11⅞	− ¼
24⅞	8¼	AdmDg	.04	.2	16	51	20⅞	20¼	20¼	
18⅝	15	AdaEx	1.73e	9.6		34	18⅛	17⅞	18	
18¼	7⅞	AdmMl	.24	1.5	8	14	16	15⅞	16	
18⅝	8⅝	Advest	.12	1.0	6	141	12⅝	12⅛	12⅛	− ½
35½	11⅛	AMD	s		54	2341	33⅛	32	32⅛	− ⅞
24⅝	12⅞	Aerflx	.4		17	68	17	16½	16⅝	− ¼
43½	32⅞	AetnLf	2.64	7.2	9	1223	36⅞	36⅛	36½	
40½	22½	Ahmns	1.20	4.3	8	329	28⅛	28	28	− ¼

Continued on Page 31

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

CANADA

(Closing Prices) Stock	Dec 14	Varn.
AMCA Int.	24⅛	+ ⅛
Abitibi	25½	-
Agnico Eagle	18⅛	-
Alberta Energy	18⅛	- ⅛
Alcan Alumin	48⅛	- ⅜
Algoma Steel	28⅛	+ ⅛
Asbestos	10⅛	-
Bk Montreal	28	-
Bk Nova Scotia	43⅜	-
Bell Canada	31⅛	-
Bombardier A	19½	-
Bow Valley	25⅛	- ½
B.P.Canada	-	-
Brascan A	38½	- ⅜
Brinco	2.9	+ 0.15
B. C. Forest	14	-
CIL Inc	30¾	-
Cadillac Fairv.	10	- ⅛
Can Cement	-	-
Can NW Energy	28½	-
Can Packers	27⅜	+ ⅛
Can Trustco	45	- ⅛
Can Imp Bank	32	- ⅛
Canadian Pacific	52⅛	- ⅜
Can. P. Ent.	23⅛	- ⅛
Can Tyre A	85	- ⅛
Carling O'Kfe	22	- ⅜
Chieftain	15⅛	- ⅛
Cominco	59	- ⅜
Cons Bathst A	25⅛	- ⅜
Coseka Resources	3.65	+ 0.05
Costain	10	-
Denison Mines	48⅜	- 1⅛
Dofasco	62½	- ⅛
Dome Mines	16⅞	- ⅛
Dome Petroleum	4.35	- 0.05
Dominion Strs.	19½	-
Domtar	30⅜	- ⅛
Falconbridge	75½	- ⅛
Genstar	31	- ⅛
Giant Y'knife	23⅞	- ⅝
Gt West Life	-	-
Gulf Canada	16⅜	+ ⅛
Hawk Sid Can	18½	- ⅛
Hudson's Bay	24⅜	-
Husky Oil	10⅜	- ½
Imasco	35⅛	- ⅛
Imp Oil A	37⅜	- ⅛
Inco	17⅜	- ⅛
Indal	13⅛	- ⅛
Interpr Pipe	33⅞	- ⅛
LAC Minerals	-	-
Macmil Bloedel	30⅝	+ ⅛
Marks & Spencer	15⅛	-
Massey-Ferg	5⅛	- ⅛
McIntyre Mines	31½	+ 1
Mitel	17⅜	+ ⅜
Moore Corp	54½	- ⅜
Nat. Sea Prods A	7⅞	- ⅛
Noranda Mines	28½	+ ⅛
Numac Oil	13⅛	+ ⅛
Nova Alberta	7⅛	+ ⅛
Nthn Telecom	50⅛	- ⅜
Oakwood Pet	9½	- ⅛
Pancanadian Pet	25½	-
Patino	10	-
Placer Devt	23⅛	+ ⅛
Power Corp Can	19⅜	- ⅛
Quebec Sturgeon	7½	- ⅛
Ranger Oil	13⅞	-
Reed Stenhse A	11⅛	+ ⅛
Rio Algom	19½	+ ⅛
Royal Bank	34⅛	- ⅛
Royal Trustco A	29	+ ⅛
Sceptre Res	5⅛	-
Seagram	46⅛	- ⅛
Simpsons Sears A	-	-
Shell Can Oil	23⅜	-
Steleo	25⅜	+ ⅛
Teck B	10½	+ ⅜
Texaco (Canada)	40⅝	-
Thomson News A	38⅜	-
Toronto Dom Bank	18½	-
Transalta A	21½	-
Trans. Can. Pipe	31⅜	-
Walker Hiram	28⅛	-
Westcoast Trans	15⅛	- ⅛
Weston (Geo)	65⅛	- ½

AUSTRIA

Dec. 14	Price Sch%	+ or —
Creditanstalt	810	....
Goesser	320	+3
Interunfall	410	....
Landerbank	910	... .
Perlmooser	308	+9
Steyr Daimler	154	+3
Veitscher Mag	205	+5

BELGIUM/LUXEMBOURG

Dec. 14	Price Frs.	+ or —
ARBED	1,196	+8
Banq Int A Lux	4,750	....
Bekaert B	3,100	......
Ciment BR	2,090	....
Cockerill	165	-4
Delhaize	4,800	+100
EBES	2,450	-20
Electrobel	6,200	+90
Fabrique Nat	1,980	+55
GB Inno BM	3,135	-10
GBL (Brux)	9,250	....
Gevaert	3,140	+40
Hoboken	5,050	+50
Intercom	1,940xr	+95
Kredietbank	6,050	....
Pan Hldgs	9,050	....
Petrofina	8,900	+10
Royale Belge	7,250	-150
Soc. Gen. Banq	9,970	-50
Soc. Gen. Belge	1,680	-5
Sofina	8,200	.. ..
Solvay	3,440	+40
Tractionel	3,840	+40
UCB	4,100	-10
Vieille Mont	5,395	+45

DENMARK

Dec. 14	Price Kr.%	+ or —
Aarhus Olie	420	......
Andelsbanken	228	+5
Baltica Skand	850	+80
CopHandelsbank	996	+1
D. Sukkerfab	665	+18
Danske Bank	502	-2
East Asiatic	153	+5
Forende Brygg	1,320	... ...
Forende Damp.	125	+5
GNT Hldg	540	+3
I.S.S.B.	710	+10
Jyske Bank	598	+24
Novo Ind	3,185	....
Privatbanken	890	+4
Provinsbanken	304	....
Smidth (Fl)	262	+9
Sophus Berend	955	+8
Superfos	518	+15

FRANCE

Dec. 14	Price Frs.	+ or —
Emprunt 4½% 1973	1,845	-7
Emprunt 7% 1973	9,720	+80
CNE 3%	5,100	..
Air Liquide	507	-4
BIC	401xc	-8
Bouygues	676	-9
BSN Gervais	2,580	-15
CIT-Alcatel	1,400	-51
Carrefour	1,295	-8
Club Mediter'n	787	-9
CFAO	520	+3
Cie Bancaire	408	+2
Cofimeg	197	-1.5
Creusot Loire	43.1	-1.8
Darty	750	-9
Dumez	875	-9
Eaux (Cie Gen)	348	+13
Elf-Aquitaine	193	-5
Gen. Occidental	375	-1
Imetal	59.5	-0.8
Lafarge Coppee	279	+1
L'oreal	9,140	-48
Legrand	2,008	-49
Maisons Phenix	338	-6
Matra	1,970	....
Michelin B	780	-5
Midi (Cie)	1,574	-16
Moet-Hennessy	1,390	-93
Moulinex	104.9	-5.1
Nord Est	48.5	-0.5
Pernod Ricard	737	-12
Perrier	498	-13
Petroles PB	161	+1
Peugeot-SA	128	-4
Poclain	31	+1
Printemps Au	137.5	+3
Radiotech	434	-5
Redoute	1000	+1
Roussel-Uclaf	330	....
Schneider	95	-0.9
Sefimeg	280	-3.7
Skis Rossignol	1,350	-40
Telemech Elect	1,390	-18
Thompson (CSF)	197.9	-1.8
Valeo	309	-6

GERMANY

Dec. 14	Price Dm.	+ or —
AEG-Telef	75.9	-1.9
Allianz Vers.	797	-98
BASF	137.8	-0.7
Bayer	137.5	-1.5
Bayer-Hypo	974.8	-1.2
Bayer-Verein	508	-2
BHF-Bank	271.5	-0.5
BMW	425.8	-3
Brown Boveri	919.5	-0.2
Commerzbank	159	-2.7
Conti Gummi	117.7	-0.8
Daimler-Benz	564xr	+5.5
Degussa	573	+2
Demag	148	....
D'sche Babcock	185	-2
Deutsche Bank	311	-9.3
Dresdner Bank	180	-4
GHH	144	....
Hochtief	440	... ...
Hoechst	178.1	-0.9
Hoesch Werke	92.3	-1.4
Holzmann (P)	424	....
Horten	185	....
Kali und Salz	202	....
Karstadt	281	-5
Kaufhof	263	-3
KHD	250	-8
Kloeckner	87.0	....
Krupp	59	....
Linde	587	-8
Lufthansa	141.5	-1
MAN	132.8	-1.2
Mannesmann	151.5	+0.3
Mercedes Hld	396	+2.5
Metallgesell	208	+4.8
Muench Rueck	1,030	-70
Preussag	270	-1
Rhein West Elect	174	-0.6
Rosenthal	284	-1
Schering	358.9	-4.3
Siemens	379.3	-3.5
Thyssen	78.3	-2
Varta	171.0	....
Veba	169	-1.8
V.E.W.	112	+0.5
Verein-West	308	....
Volkswagen	203.7	-1.7

ITALY

Dec. 14	Price Lire	+ or —
Banca Com'le	25,600	-100
Bastogi-IRBS	131	+2.4
Centrale	1,181	-19
Credito Varesino	3,700	....
Fiat	3,145	+58
Finsider	47	+0.9
Generale (Assic)	131,785	-425
Invest	8,850	-10
Italcementi	58,000	+300
Montedison	209	+2
Olivetti	3,560	+10
Pirelli Co.	3,670	-10
Pirelli Spa	1,410	+25
Snia BPD	1,210	+8
Toro Assic	10,950	....
do. Pref	7,561	+1

NETHERLANDS

Dec. 14	Price Fls.	+ or —
ACF Holding	185.5	-0.5
Aegon	108.1	-1
Ahold	121.5	-0.3
AKZO	88.5	-0.4
ABN	368.8	....
AMEV	149	-1
AMRO	69.7	-1.3
Bredero Cert	178	-2.8
Boskalis Westm	40.2	-0.4
Buhrmann-Tet	85.2	+0.2
Caland Hldgs	33.5	+0.3
Credit Lyon'is Bk	40.0	-0.1
Elsevier-NDU nv	486	-4
Dist.-Brocades	158.5	-1.8
Heineken	155.5	-1.8
Hoogovens	39	-1.4
Hunter Douglas	91.1	-0.3
Int-Muller	33.8	....
KLM	181.3	-0.6
Naarden Intl	40.0	-0.7
Nat Ned Cert	188.5	+0.3
Ned. Credit Bank	58.7	+0.1
Ned Mid Bank	140	-2
Nedlloyd	109.3	-0.7
Oce Grinten	234.5	-9.3
Ommeren (Van)	38.7	-0.7
Pakhoed	33.1	+1.6
Philips	42.5	+0.4
Rijn-Schelde	3.9	+0.1
Robeco	597.4	-1.1
Rodamco	199.3	-0.1
Rolinco	314	-2
Rorento	198.2	+0.1
Royal Dutch	136.2	+0.4
Unilever	248.5	-1
VMF Stork	86.9	-0.1
VNU	118	-3
West Utr Bank	111	+9

NORWAY

Dec. 14	Price Kroner	+ or —
Bergens Bank	137	-9
Borregaard	187.5	-5
Christiania Bk	159	-3
Den Norsk Credit	144	-1
Elkem	119	-1
Norsk Data	989.3	+9.5
Norsk Hydro	492	-7
Storebrand	178	+1

SPAIN

Dec. 14	Price Pta%	+ or —
Bco Bilbao	954	-1
Bco Central	269	-9
Bco Exterior	196	......
Bco Hispano	210	......
Bco Santander	261	......
Bco Vizcaya	314	+3
Dragados	119	-1
Hidrola	45.7	-0.2
Iberduero	42.2	......
Petroleos	101.5	+3
Telefonica	82	-1.5

SWEDEN

Dec. 14	Price Kronor	+ or —
AGA	385	-6
Alfa-Laval	373	-1
ASEA (Free)	405	-15
Astra (Free)	880	-35
Atlas Copco	119	-1
Boliden	565	-5
Cardo	550	-8
Cellulosa (Free)	158	-2
Electrolux B	243	-8
Ericsson	420	....
Esselte (Free)	297	....
Mo Och Domsjo	400	-13
Pharmacia (Free)	290	-5
Saab-Scania	289	-1
Sandvik B (Free)	299	-6
Skandia	475	....
Skan Enskilda	894	+1
SKF B	158	-1
St. Kopparberg	640	+10
Sven Handelsbn	191	+1
Swedish Match	968	-8
Volvo B (Free)	480	-10

SWITZERLAND

Dec. 14	Price Frs.	+ or —
Alusuisse	824	+2
Bank Leu	4,270	-10
Brown Boveri	1,350	+10
Ciba-Geigy	2,352	... ...
do. (Part Certs)	1,885	+30
Credit Suisse	2,260	....
Elektrowatt	2,835	-10
Fischer (Geo.)	620	-10
Genevoise	3,275	+75
Hoff-RochePtCts	103,925	+750
Hoff-Roche 1/10	10,700	+73
Jacobs Suchard	6,850	-125
Jelmoli	1,880	-30
Landis & Gyr	1,440	+55
Nestle	4,830	-6
Der-Buehrle	1,930	-8
Pirelli	952	+2
Sandoz (Br)	7,525	+75
Sandoz (PtCts)	1,135	+15
Schindler (PtCts)	485	+5
Swissair	980	+17
Swiss Bank	319	....
Swiss Reinsce	7,700	+200
Swiss Volksbk	1,465	-8
Union Bank	5,480	-10
Winterthur	5,350	+70
Zurich Ins	19,150	-100

AUSTRALIA

Dec. 14	Price Aust. $	+ or —
ANZ Group	5.9	... .
Acrow Aust	1.33	+0.05
Alliance Oil D.	0.83	-0.02
Ampol Pet	1.7	....
Aust Cons Ind	1.86	-0.03
Aust. Guarant	2.85	+0.05
Aust. Nat. Inds	2.7	+0.05
Aust. Paper	2.55	+0.04
Bond Hldgs	1.24	+0.01
Boral	6.34	-0.01
B'ville Copper	2.6	-0.02
Brambles Inds	3.35	+0.05
Brid e Oil	3.0	....
BHP	14.0	-0.1
CRA	6.66	....
CSR	3.68	-0.02
Carlton & Utd	3.90	+0.04
Castlemaine	5.5	-0.1
Coles (G.J.)	3.99	-0.01
Comalco	3.88	+0.02
Consolidated Pet	0.83	-0.02
Costain	1.35	....
Dunlop	1.6	+0.05
E.Z. Ind	6.12	+0.02
Elders IXL	4.13	+0.18
Energy Res	1.72	....
Gen Prop Trust	2.1	-0.02
Hardie (J.)	3.63	+0.01
Hartogen Energy	2.9	+0.05
Herald W'y Times	5.0	....
ICI Aust	2.26	+0.01
Jimb'lana (50cFP)	0.23	+0.05
Kia Ora Gold	0.17	....
Lend Lease	5.0	+0.05
MIM	3.9	+0.1
Mayne Nickless	9.82	....
Meekatharra	1.95	+0.06
Myer Emp	1.98	-0.02
Nat.Com.Bk	3.73	+0.02
News	9.3	+0.4
Nicholas Kiwi	3.25	....
North Bkn Hill	3.15	....
Oakbridge	1.15	-0.01
Otter Expl	0.8	-0.05
Pancon	1.25	+0.01
Pioneer Conc	1.86	+0.06
Reckitt & Coln	2.7	....
Repco	1.86	-0.02
Santos	7.6	+0.02
Smith (H.)	4.5	-0.09
Southland Min'g	0.24	... .
Spargos Expl	0.4	....
Thos. Natwide	2.26	-0.02
Tooth	6.0	....
UMAL Cons	3.4	+0.08
Vamgas	3.4	-0.05
Western Mining	4.15	+0.04
Westpac	3.9	-0.07
Woodside Petrol	1.29	+0.02
Woolworths	9.73	-0.01
Wormald Intl	3.08	+0.05

HONG KONG

Dec. 14	Price H.K.$	+ or —
Bank East Asia	18.4	+0.1
Carrian Invest	0.87	....
Cheung Kong	7.1	+0.1
China Light	11.9	+0.3
Hang Lung Devel	1.34	....
Hang Seng Bank	37.75	-0.75
HK Electric	5.5	+0.05
HK Kowloon Wh	3.87	+0.06
HK Land	2.95	+0.18
HK Shanghai Bk	6.95	....
HK Telephone	34.25	....
Hutchison Wpa	14.8	+0.5
Jardine Math	11.3	+0.2
New World Dev	9.75	+0.05
Orient O'seas	9.37	....
O'seas Trust Bk	8.72	....
SKH Props	4.82	+0.02
Swire Pac A	14.6	+0.2
Wheel'k Mard A	9.95	+0.08
Wheel'k M'time	1.73	....
World Int. Holdgs	1.52	+0.91

JAPAN

Dec. 14	Price Yen	+ or —
Ajinomoto	995	-3
Alps Electric	2,580	+30
Amada	936	-7
Asahi Chem	381	....
Asahi Glass	680	+8
Bridgestone	578	-9
Canon	1,510	....
Casio Comp	1,440	-10
Chugai Pharm	1,000	+9
Citizen	649	+11
Daiei	649	....
Dai Nippon Ptg	905	-6
Daiwa House	499	-5
Ebara	394	+3
Eisai	1,240	-30
Fanuc	10,400	+40
Fuji Bank	500	....
Fuji Film	1,880	+10
Fujisawa	879	-3
Fujitsu	1,290	+10
Green Cross	1,630	+20
Hasegawa	393	+3
Heiwa Real Est	601	-3
Hitachi	799	....
Hitachi Credit	1,190	-10
Honda	1,080	-90
House Food	828	....
Hoya	1,400	-10
Itoh (C)	276	-4
Ito-Yokado	1,720	+20
Iwatsu	1,960	+10
JACCS	330	....
JAL	9,350	-10
Jusco	812	-9
Kajima	307	-2
Kao Soap	635	+5
Kashiyama	382	+4
Kirin	485	+2
Kokuyo	850	-4
Komatsu	538	+10

JAPAN (continued)

Dec. 14	Price Yen	+ or —
Konishiroku	527	+5
Kubota	399	-1
Kumagai	430	+1
Kyoto Ceramic	8,900	+50
Maeda Const	485	-10
Makino Milling	1,330	....
Makita	1,200	....
Marubeni	270	-1
Marudai	626	....
Marui	1,210	+50
MEI	1,950	....
M'ta Elec Works	567	-5
M'bishi Bank	600	....
M'bishi Corp	526	....
M'bishi Elec	405	+4
M'bishi Estate	485	-4
MHI	243	+3
Mitsui Co	340	-10
Mitsui Estate	720	+8
Mitsukoshi	345	+2
NGK Insulators	631	-1
Nihon Cement	210	-3
Nippon Denso	1,750	-30
Nippon Elect	1,400	+30
Nippon Express	291	-3
Nippon Gakki	616	-18
Nippon Kokan	159	....
Nippon Oil	958	-4
Nippon Seiko	676	+6
Nippon Shinpan	665	-4
Nippon Steel	161	+1
Nippon Suisan	613	+1
NTV	7,000	-150
Nippon Yusen	237	-9
Nissan Motor	734	-3
Nisshin Flour	410	....
Nisshin Steel	159	+9
Nomura	875	+5
Olympus	1,110	+50
Omron Tateisi	1,960	....
Orient Leasing	9,350	....
Pioneer	3,280	+30
Renown	574	....
Ricoh	1,130	+10
Sankyo	667	+11
Sanyo Elect	507	+7
Sapporo	367	+6
Sekisui Prefab	687	+1
Seven Eleven	6,500	+50
Sharp	1,350	-50
Shimadzu	383	-1
Shionogi	713	+8
Shiseido	1,080	-20
Sony	3,520	-20
Stanley	786	....
S'tomo Elect	790	+7
S'tomo Marine	230	-3
S'tomo Metal	154	+3
Taihei Dengyo	590	....
Taisei Corp	220	....
Taisho Pharm	821	+8
Takeda	713	+5
TDK	5,310	-10
Teijin	373	-3
Teikoku Oil	737	-5
Tokio Marine	520	-11
TBS	673	-15
Tokyo Elect Pwr.	1,010	-10
Tokyo Gas	150	-1
Tokyo Sanyo	685	....
Tokyo Style	638	-10
Tokyu Corp	286	-4
Toppan Print	675	+11
Toray	391	+9
Toshiba	400	+5
TOTO	555	+18
Toyo Seikan	630	-4
Toyota Motor	1,440	....
Victor	3,150	+10
Wacoal	714	-1
Yamaha	459	-1
Yamanouchi	1,850	-30
Yamazaki	720	+60
Yasuda Fire	232	+5
Yokogawa	489	-6

SINGAPORE

Dec. 14	Price $	+ or —
Boustead Bhd	2.88	+0.04
Cold Storage	5.1	-0.05
DBS	9.95	-0.05
Fraser & Neave	5.55	+0.05
Genting	4.86	-0.04
Haw Par	2.29	-0.01
Inchcape Bhd	2.95	....
Keppel Shipyard	3.58	+0.02
Malay Banking	9.3	....
Malay Brew	7.3	....
Multi Purpose	1.84	+0.01
OCBC	11.3	....
OUB	4.62	....
Sime Darby	2.37	-0.02
Straits St'mship	1.88	+0.01
Straits Trdg	8.15	-0.05
UOB	5.85	+0.05

SOUTH AFRICA

Dec. 14	Price Rand	+ or —
Abercom	3.65	+0.08
AE & Cl	8.4	+0.15
Anglo Am Coal	84	....
Anglo Am Corp	90	+0.25
Anglo Am Gold	181.5	....
Barclays Bank	19.5	....
Barlow Rand	19.7	....
Buffels	87.75	-0.25
CNA Gallo	2.8	....
Currie Finance	4.4	+0.1
De Beers	9.2	....
Driefontein	37	-0.75
FS Geduld	44.75	....
Gold Fields S.A.	24.25	-0.25
Highveld Steel	5.18	-0.05
Nedbank	18.75	....
OK Bazaars	30.5	-0.25
Protea Hldgs	5.5	....
Rembrant	22.5	-0.25
Rennies	14.8	....
Rustenburg	12.7	....
Sage Hldgs	6.8	+0.1
SA Brews	7.45	....
Smith (C.G)	23.75	....
Tongaat Huletts	10.5	....
Unisec	5.1	....

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK-DOW JONES

	Dec 14	Dec 13	Dec 12	Dec 9	Dec 8	Dec 7	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1246.65	1256.89	1261.59	1268.06	1261.89	1273.78	1287.2 (29/11)	174.39 (11/8)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	594.26	604.45	604.45	604.81	608.26	609.12	612.57 (22/11)	434.24 (3/1)	612.57 (22/11/83)	12.23 (8/7/32)
Utilities	132.42	134.15	134.44	133.51	135.82	134.2	140.7 (31/10)	119.46 (3/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000's†	8542	9411	7734	9828	9853	10567	-	-	-	-

	Dec 8	Dec 2	Nov 25	(Year Ago Approx)
Ind div yield %	4.47	4.45	4.48	5.31

STANDARD AND POORS

	Dec 14	Dec 13	Dec 12	Dec 9	Dec 8	Dec 7	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	183.85	185.87	186.99	185.9	185.85	186.82	193.22 (22/8)	154.95 (3/1)	193.22 (22/6/83)	3.52 (30/6/32)
Composite	163.33	164.53	165.62	165.09	165.2	165.91	170.99 (22/8)	138.34 (3/1)	170.99 (22/6/83)	4.4 (1/6/32)

	Nov 30	Nov 23	Nov 16	Year Ago (Approx)
Ind div yield %	3.72	5.67	3.97	4.50
Ind. P/E Ratio	14.43	14.45	14.37	10.68
Long Gov Bond Yield	11.40	11.40	11.31	10.63

N.Y.S.E. ALL COMMON

Dec 14	Dec 13	Dec 12	Dec 9	1983 High	1983 Low
-	-	-	-	442.62 (6/5)	79.79 (24/1)

RISES AND FALLS

	Dec 14	Dec 13	Dec 12
Issues traded	1815	2828	2025
Rises	453	846	784
Falls	155	951	822
Unchanged	487	431	419

MONTREAL

		Dec 14	Dec 13	Dec 12	Dec 9	1983 High	1983 Low
MONTREAL	Industrials	442.98	445.46	444.78	442.5	493.08 (5/5)	329.12 (4/1)
	Combined	426.48	428.7	427.81	425.97	441.29 (26/9)	319.4 (5/5)
TORONTO	Composite	2530.2	2538.5	2536.3	2531.9	2598.2 (26/9)	1948.9 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Dec. 14	Dec. 15	Dec 12	Dec. 9	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	754.5	751.2	748.8	735.8	754.9 (14/12)	487.8 (4/1)
Metals & Minls. (1/1/80)	550.9	547.8	538.4	528.8	614.2 (6/9)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	54.57	54.33	54.22	54.2	59.8 (5/5)	46.48 (15/2)
BELGIUM Belgian SE (31/12/63)	133.58	132.31	131.83	130.84	154.43 (1/8)	100.50 (4/1)
DENMARK Copenhagen SE (3/1/83)	(u)	198.48	195.97	—	204.22 (13/9)	100.00 (3/1)
FRANCE CAC General (31/12/82)	161.2	161.4	161.5	158.6	161.9 (13/12)	96.1 (3/1)
Ind Tendance (31/12/82)	161.7	165.1	162.6	162.2	165.1 (13/12)	98.0 (3/1)
GERMANY FAZ-Aktien (31/12/58)	343.82	348.77	344.06	343.24	348.5 (2/12)	241.88 (25/1)
Commerzbank (Dec1953)	1016.5	1015.7	1016.8	1014.8	1031.6 (2/12)	727.9 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	814.75	862.31	858.74	859.85	1102.64 (21/7)	690.06 (4/10)
ITALY Banca Comm Ital. (1972)	183.82	182.78	185.10	186.48	914.35 (21/6)	159.45 (10/1)
JAPAN** Nikkei-Dow (16/5/49)	9401.17	9395.56	9442.00	9449.9	9565.26 (19/10)	7803.18 (25/1)
Tokyo SE New (4/1/68)	696.15	695.50	699.47	699.74	699.91 (8/12)	574.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	147.2	148.8	148.1	147.9	148.8 (13/12)	100.1 (4/1)
ANP-CBS Indust (1970)	120.8	122.0	121.7	121.2	122.0 (13/12)	50.8 (4/1)
NORWAY Oslo SE (4/1/83)	213.84	215.42	214.28	209.85	212.69 (18/10)	98.31 (4/1)
SINGAPORE Straits Times (1966)	955.44	967.26	968.04	969.90	992.82 (25/5)	718.29 (5/1)
SOUTH AFRICA Gold (1958)	(u)	850.9	848.8	841.7	1089.5 (1/2)	881.4 (1/11)
Industrial (1958)	(u)	929.9	927.0	922.5	968.7 (28/6)	784.9 (3/1)
SPAIN Madrid SE (31/12/82)	120.44	121.10	(o)	122.5	129.14 (10/11)	96.82 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1480.87	1499.09	1514.99	1520.99	1529.83 (2/12)	898.16 (3/1)
SWITZERLAND SwissBankCpn. (31/12/58)	372.3	371.8	370.5	371.0	372.3 (5/12)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	180.2	181.1	180.7	185.5 (10/10)	164.3 (3/1)

(**) Saturday Dec 10: Japan Nikkei-Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

MARKET REPORT

Gilts ease again on weak sterling but leading equities show resilience with index up 0.5

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Nov 28	Dec 8	Dec 9	Dec 19
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23

* "New-time" dealings may take place from 9.30 am two business days earlier.

Governmant securities again showed a bias to lower levels and blue chip industrials moved narrowly with a steady to firm undertone as the pound came under fresh pressure yesterday in foreign exchange markets. Elsewhere, seasonal distractions inhibited interest in secondary equity issues although some special situations provided features with the protracted bid battle for Eagla Star again a major talking point.

Sterling's weakness and continued upward pressure on money market rates overshadowed markets throughout the session. Gilts turned harder following the late afternoon announcement that BNOC proposes to leave the price of North Sea oil unaltered for the first quarter of next year, but trading conditions remained quiet.

Earlier, the Funds had given fresh ground in thin trading, still on doubts about the outlook for inflation and interest rates. Sentiment at the start also reflected the U.S. bond market's weak overnight performance which stemmed from fears that the sharp increase in November U.S. retail sales will lead to the Fed tightening its hold on credit. Around ¼ to ⅜ easier initially, longer-dated stocks rallied to finish only ⅛ down, while shorter maturities ended mixed and the FT Government Securities index gave up 0.13 more to 82.30.

Leading industrials mostly drifted easier in the absence of fresh support. Prices were marked slightly lower at the outset and barely moved thereafter until late sentiment transformed a 2 pm loss of 1.5 in the FT Industrial Ordinary share index to a closing improvement of 0.5 at 751.1.

Metal Box provided a firm contrast among the leaders, rising 16 to 308p in response to broker's circulars, while index constituent BOC advanced 12 more to 277p with sentiment booyed by recent impressive preliminary figures.

The Insurance pitches were the centre of early attention when Eagle Star received the expected increased offer from Allianz of 665p cash per share. This was topped by 10p per share some two hours later by BAT Industries. Eagle Star, which advanced to 725p bid late on Tuesday following U.S. interest, reacted to 698p before recovering on thoughts of a U.S. predator entering the contest to close at 716p; BAT Industries ended 2 dearer at 156p.

Clearers rally

The four main clearing Banks rallied in the absence of fresh selling. NatWest closed 8 up at 648p, while Barclays gained 7 to 487p. Royal Bank of Scotland picked up 3 at 178p and revived small demand took Charterhouse 6 higher to 114p. Merchant Banks also made headway, Schroders rising 20 to a peak for the year of 735p and Kleinwort Benson improving 8 to 355p. Guinness Peat edged forward persistently in the after-hours, trade hit a 1983 best of 60p, up 4. Against the trend, Hill Samuel fell 8 to 335p and recently-firm United Leasing came back 9 to 196p.

Insurances continued to be dominatedby the Eagle Star situation. Composites tended to hold their ground, but Life insurers moved down. Prudential ended 6 lower at 484p and Pearl 7 cheaper at 758p. Willis Faber highlighted Brokers with a jump of 16 to 876p.

The announcement that Mr J. V. Aspinall and Sir James Goldsmith had reduced their holdings in the company by 75,000 shares respectively in a deal transacted outside the market further unsettled Aspinall Holdings, which shed 5 to a low of 133p.

The absence of traditional seasonal cheer was again apparent among the drinks sector where attention centred on those reporting trading statements. Scottish and Newcastle revealed a 40 per cent expansion in first-half profits—slightly in excess of most market expectations—but, as with Bass last week, dealers were disappointed by the lack of response to the announcement and the close was only a fraction firmer at 99½p. Bass remained friendless and shed 8 more at 307p. In contrast to recent mid-term figures from fellow Cider makers Merrydown, H. P. Bulmer announced interim profits a shade below general estimates and, following the company's caution on second-half trading and widespread dissatisfaction with the proposed scrip issue—2 new Preference for every 5 ordinary, the shares dipped sharply in a lively trade to close a net 25 off at 248p. Merrydown shed 15 to 370p in sympathy. Elsewhere, Irish Distillers firmed 10 to 150p following the increased preliminary profits and dividend. Distillers, annual results due today, held at 229p.

Leading Buildings displayed scattered small falls, but Meyer International were particularly dull after comment on the half-year results and reacted to 142p before closing a net 7 down at 145p. Elsewhere, a badly handled selling order left John Finlan 12 lower at 180p, while small selling clipped 2 from Crouch Group to a low for the year of 70p. Beechwood shed 4 for a two-day fall of 7 to a 1983 low of 18p reflecting the poor interim figures, but Newarthill attracted fresh support in a thin market and hardened 5 to 555p. Notingham Brick were marked 15 higher to a high for the year of 410p in response to the excellent preliminary figures and capital proposals.

ICI firmed 4 to 654p reflecting renewed U.S. buying; Morgan Guaranty now has nearly 15 per cent of the equity. In contrast, Amersham International again lacked support and shed 4 to 206p, only a shade above the low for the year. Yorkshire Chemicals also lost 4, to 74p.

FINANCIAL TIMES STOCK INDICES

	Dec. 14	Dec. 15	Dec. 12	Dec. 6	Dec. 9	Dec. 7	year ago
Government Secs.	82.60	82.43	82.51	82.77	83.29	83.33	78.83
Fixed Interest	85.83	86.99	85.90	86.25	86.41	86.41	80.66
Industrial Ord.	761.1	750.6	753.7	767.1	760.2	753.6	586.6
Gold Mines	677.3	684.3	673.1	667.2	592.6	580.8	508.7
Ord. Div. Yield	4.66	4.66	4.64	4.63	4.60	4.63	5.07
Earnings, Yld.% (full)	9.53	2.54	6.50	6.48	2.46	9.55	10.86
P/E Ratio (net) (*)	19.01	19.79	12.88	12.88	12.88	12.79	11.04
Total bargains.	19,982	20,866	61,030	99,620	23,109	90,046	90,706
Equity turnover £m.	—	209.13	954.14	354.24	997.66	206.76	149.50
Equity bargains	—	16,656	19,250	96,414	91,144	18,172	16,799
Shares traded (ml)	—	129.6	147.8	197.9	185.6	132.3	101.2

10 am 750.2. 11 am 750.1. Noon 750.1. 1 pm 749.1. 2 pm 749.1. 3 pm 749.9.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974. † Correction.

Latest Index 01-246 8026.

Nil=12.04.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.19 (3/1/75)
Fixed Int.	86.41 (7/12)	79.03 (1/2)	150.4 (28/11/47)	50.66 (3/1/75)
Ind. Ord.	750.2 (8/12)	599.4 (12/1)	750.2 (8/12/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/11)	764.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 13	Dec. 12
—Daily		
Gilt Edged Bargains	165.1	176.3
Equities Bargains	107.9	118.8
Value	422.7	616.7
5-day Avrge		
Gilt-Edged Bargains	177.7	179.8
Equities Bargains	166.6	128.0
Value	696.9	531.1

FII feature again

Press comment drawing further attention to the group's anti-rhinitis device stimulated increased support of FII which advanced to a new high of 185p before settling 12 better on the day and up 36 so far this week at 180p.

Stores drifted slightly easier for want of attention, although a couple of exceptions emerged among secondary counters. Kraft Productions continued to make progress, reflecting persisting hopes of a "shell" operation and hardening 5 to record a two-day gain of 35 at 160p. Scattered support was evident for Selincourt, ½ up at 13½p.

Leading Electricals closed with narrowly mixed movements. GEC, still reflecting therecent interim results, encountered revived selling and touched a low for the year of 172p before selling 4 cheaper on the day at 174p. Racal also closed 4 lower, at 208p, after touching 206p, but Plessey edged up a couple of pence to 232p. AB Electronic met demand and ended 45 to the good at 400p, while Crystalate, still on hopes of a lucrative offer for Royal Worcester, gained 8 further to 196p Arlen gained 3 to 165p after the announcement of a rights issue in Convertible Unsecured Loan stock, annual results and marketing statement on the pulsestarter. In contrast, nervous offerings in front of today's preliminary statement left United Scientific 11 down at 362p.

Leading Engineers edged higher in quiet trading, TI improving 6 to 158p, Hawker 4 to 350 and GKN a couple of pence to 169p. Elsewhere, movements were usually restricted to a few pence either way. Spencer Clark hardened a penny to 33p on the reduced annual loss, but Westland eased 3 to 140p after preliminary results which failed to meet expectations. John Brown came to life with a gain of 2 to 16p, while F. S. Ratcliffe, still on talk of a possible assets injection improved 3 for a two-day rise of 11 to 53p.

Leading Foods displayed a dull feature in Tate & Lyle, which shed 10 to 373p on talk that 2¾m shares—thought to be Hanson Trust's stake in the company—had been put through the market at 372p per share. Elsewhere, Northern Foods firmed 4 to 178p following satisfactory preliminary results, but Unigate softened a penny to 115p awaiting today's half-timer. Among the second liners, Bio-Isolates came under further pressure and dipped to a 1983 low of 73p before closing a net 13 down at 75p; earlier in the year, the shares stood at 435p. J. E. England, a rising market last week on speculative interest, came back 5 to 20p on the announcement that preliminary negotiations concerning a possible acquisition had been terminated.

Metal Box jump

Miscellaneous Industrials presented strong features in Metal Box, which jumped 16 to 308p on demand incited by two brokers' circulars, and BOC International, up 12 at 277p, still on last week's preliminary figures. Beecham put on 5 more at 317p, but remaining movements of note were confined to secondary issues. London and Liverpool dipped alarmingly to 24p as doubts were expressed about the group's future: evidently, recently increased put option interest made dealers extremely wary yesterday about taking new business and the share price consequently suffered before steadying to close only 3 down on balance at 30p compared with the year's high point of 350p.

Sidlaw were lowered 16 to 422p, but revived speculative support took C. Baynes up 7 to 74p. G. W. Sparrow picked up 5 at 57p and Vinten gained 8 to 280p, while Equipu were raised 5 to 120p. Redfearn National Glass dropped 14 to 73p on annual results described as "awful," but Jacksons Bourne End rose 8 to 213p following improved first-half results. Stainless Metalcraft moved up to 115p after the good preliminary statement before settling a net 3 better at 113p. Evode hardened to 96p on the Hiflo Adhesives acquisition from DRG.

Trident TV "A" reacted to 115p before closing just 2 cheaper on balance at 118p following the Monopolies Commission's decision to block a further bid attempt by Pleasurama; the latter ended 5 dearer at 335p, after 340p. Elsewhere in the Leisure sector, buyers continued to show interest in Juliana's, which gained 15 to a 1983 peak of 400p. Travel issues made fresh progress in the wake of Intasun's satisfactory interim results; Intasun hardened 2 more to 149p, while Horizon firmed 6 to 158p.

Coachbuilders Plaxtons (GB) continued to benefit from the bumper preliminary profits and proposed 100 per cent scrip issue and attained a 1983 high of 230p before settling 10 up for a two-day gain of 53 at 228p. Motor Distributors traded quietly; T. Cowie, 38½p, and Western Motor, 70p, were both unchanged following the respective annual and interim figures.

Among Publishers, Fleet Holdings closed 4 dearer at 125p; it was announced well after the market close that Reuters is to seek a public flotation.

Among Financials, Centreway Trust improved 15 in response to satisfactory quarterly figures.

The official announcement that BNOC is to hold its current prices for North Sea oil in the first quarter of 1984 injected a little life into the Oil share market which rallied from slightly lower earlier levels. BP, down to 388p at one stage, closed unaltered at 392p, and Shell also closed without alteration at 562p, after 556p. Sellers again held sway in Atlantic Resources, down 15 more at 675p, while Aran Energy closed 6 cheaper at 72p, after 70p. Elsewhere, takeover talk left Weeks (Bermuda) 30 higher at 330p and Weeks Australia 35 to the good at 335p.

Overseas Traders featured Harrisons and Crosfield which advanced 37 to equal the year's peak of 762p following a recommendation from Simon and Coates.

Golds easier

A lack-lustre performance by the bullion price—finally a dollar cheaper at $388.375—persistent profit-taking and rumoured heavy selling of second-line issues caused a widespread downturn in South African Golds.

The Gold Mines index fell 6.8 to 577.5.

The top-quality heavyweights generally held steady and in some cases made modest headway—recent market favourite Randfontein rose a point to £95⅞—but secondary stocks encountered sizeable selling pressure from Johannesburg amid talk of a sell recommendation from a computer-based South African investment advisor.

The major casualties in the latter group included Consolidated Modderfontein, 34 off at 212p, Grootvlei, a like amount cheaper at 953p, and Loraine, which dropped 27 to 360p.

South African Financials were similarly depressed in subdued trading while quiet conditions in domestic equity markets and a weak showing by base-metals, notably copper, upset London-domiciled Financials.

Gold Fields were especially vulnerable and dropped 8 to 510p.

Miscellaneous mines provided a firm feature in Consolidated Murchison which continued to race ahead on strong buying from South Africa and closed 25 up at 650p, after a year's high of 660p, following the recent surge in free market antimony prices.

Currency fluctuations remained the overriding influence in Australian markets and continued to restrain activity in the sharemarket.

Leading issues remained firm, however, aided by good domestic buying interest, and were highlighted by renewed demand for MIM Holdings, which rose 6 more to 246p.

Umal, in receipt of a takeover bid from BHP, put on 10 more to 210p. EZ Industries moved up 15 further to 385p and gold producer Poseidon edged up 5 more to 290p.

Activity in Traded Options increased with total contracts traded amounting to 2,848, comprising 2,227 calls and 621 puts. GEC were particularly active as operators took positions on recovery hopes in the wake of the interim results; 711 calls were transacted with the January 180's and April 180's accounting for 116 and 267 trades respectively; GEC puts totalled 168. The latest forays in the battle for control of Eagle Star again served to boost business in Commercial Union which attracted 353 calls, 160 in the January 180's.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (92)

BRITISH FUNDS (1)
Conv. 10¼pc 1999

AMERICANS (8)
Bankers Tst. N.Y. — I.U. International
Bethlehem Steel — Pillsbury
Caterpillar Tractor — Sun Co. Inc.
Honeywell — TRW Inc.

CANADIANS (4)
Bk. of Nova Scotia — Hudson's Bay
Canadian Pacific — Royal Bk. of Canada

BANKS (3)
Guinness Peat — Cie. Bancaire
Schroders

BREWERS (1)
Irish Distillers

BUILDINGS (1)
Nottingham Brick

CHEMICALS (1)
Ciba Geigy 5¼pc Cnv. 1982-95

ELECTRICALS (7)
A.B. Electronic — Electronic Machine
BSO Internatl. — Real Time Control
Crystalate — Toshiba Corp.
Dubilier

ENGINEERING (9)
Delta Group — Spencer Clark
Glynwed Internatl. — Telfos
Linread — Tomkins (F. H.)
Robinson (T.) — Williams Hldgs.
Smith Whitworth

FOODS (1)
Paterson Jenks

HOTELS (2)
Garfunkels Rests. — Stakis

INDUSTRIALS (11)
BOC — Hanson Trust 9½pc
Dunhill — Cnv. Uns. Ln. '01-06
Embart Corp. — I.C. Inds.
Ferguson Indl. — Jacksons Bourne End
Fogarty — Metal Box
Do. Defd. — Moss (Robt.)

INSURANCE (3)
Eagle Star — Willis Faber
Stewart Wrightson

LEISURE (3)
Anglia TV A — Medminster
Juliana's

MOTORS (2)
Plaxton's (G. B.) — Kenning Motor

PROPERTY (4)
Fairview Ests. — McKay Secs.
Land Securities — Mountview Ests.

SHOES (2)
FII — Newbold & Burton

TRUSTS (22)
Caledonia Invs. — G.T. Japan
Crescent Japan — Hambros
Drayton F. East Wts. — Inv. in Success
European Assets N-V — Moorgate
Family — Moorside
Fleming Claverhouse — Scot. American
Fleming Far Eastern — Second Alliance
Fleming Japanese — Stockholders Far East
Do. B — TR Australia
Fleming Overseas — Centreway Trust
Fleming Universal — M. & G. Group

OILS (4)
Internatl. Petroleum — Weeks (Bermuda)
Texaco 4¾pc Cnv. Ln. 1901-99 — Do. (Aust.)

PLANTATIONS (2)
Cons. Plants. — Kuala Kepong

MINES (1)
Cons. Murchison

NEW LOWS (21)

BREWERS (4)
Boddingtons — Wolv'hampton Dudley
Whitbread A — Young Brewery A

BUILDINGS (4)
AMEC — Crouch Group
Beechwood — Lilley (F. J. C.)

CHEMICALS (1)
International Paint

ELECTRICALS (2)
GEC — Oceonics

FOODS (1)
Bio-Isolates

INDUSTRIALS (4)
Airship Inds. — Pritchard Services
Lon. & L'pool Tst. — Redfearn Nat. Glass

MOTORS (1)
Perry (H.)

TEXTILES (2)
Miller (F.) — Nova (Jersey) Knit

OILS (1)
KCA Drilling

MINES (1)
Centennial Minerals

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
¶120	F.P.	22/11	122	103	✠Acorn Computer 1p	119	......	—	—	—	27.6
115	F.P.	13/16	176	133	✠Aspinall Hldgs 10p	133	−5	bg3.0	3.7	3.2	11.9
33	F.P.	21/12	34	29	✠Brewmaker 1p	30	+1	—	—	—	16.2
¶435	200	10/2	220	169	Brit. Petroleum	164	−2	20.25	1.9	7.3	11.1
¶275	100	—	102	96	Cable & Wireless 50p	100	......	h3.47	3.5	7.2	4.5
¶76	F.P.	—	76	74	Datasery Inc. 3c	76	......	bQ1.5	5.1	1.3	14.6
§34	F.P.	14/16	54	46	✠FederatedHousg 6p	50	......	b2.43	2.4	7.0	8.5
§IR77	F.P.	25/11	66	62	✠Flogas 10p	63	−1	¤55.8%	3.6	3.7	10.2
123	F.P.	15/12	145	112	✠FrenchConnect'n5p	140	−5	bo3.9	2.7	4.0	12.7
§137	F.P.	—	140	138	✠High-point Serv. 10p	140	......	u3.0	3.4	3.1	11.1
§93	F.P.	—	95	95	✠J'hnan&Jorg'nsn10p	95	......	b3.15	2.1	5.3	11.7
·139	F.P.	—	175	168	✠Kenyon Securities	175	......	b6.38	1.7	7.7	10.7
¶620	F.P.	18/9	667	226	Logica 10p	267	+2	u1.0	3.9	0.3	14.0
¶150	F.P.	—	155	144	Ldn. & Edin'gh Tst. 10p	144	−2	b5.25	2.5	5.2	9.1
§40	F.P.	—	41	40	✠MME Facilities 10p	40	......	b0.7	3.3	2.5	15.5
§96	F.P.	16/1	101	93	✠Mebon 10p	96	+1	b3.4	2.0	3.1	15.3
§80	F.P.	15/12	106	67	✠Page (Michael) 5p	108	......	b1.4	3.3	1.9	25.4
§140	F.P.	—	163	146	✠Pericom 10p	150	......	u1.7	4.9	1.3	16.4
§85	F.P.	21/12	105	93	✠Peters (Michael)	98	......	u1.79	1.7	2.0	26.9
¶20½	F.P.	6/1	31	27	✠Protimeter 5p	61	......	u0.7	2.7	3.2	16.2
§90	F.P.	13/1	93	91	✠Tay Homes	93	......	u4.1	2.1	6.3	9.5
§166	F.P.	—	140	133	✠TyneTeesTVAN/V£1	138	......	9.25	9.4	8.3	1.7
¶110	F.P.	10/19	150	109	✠V. W. Thermax	143	−2	u5.25	1.8	5.2	16.3
§IR84	F.P.	6/12	193	168	✠Woodchairinv.IR20p	170	......	Q19.5%	4.1	1.8	14.6
—	F.P.	—	29	24	Witan Invs. Wrrnts.	26	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
100	F.P.	6/1	102	101½	Bristol Waterworks 6.6% Red. Prf. 1988	102	......
99	£10	—	10½	9½	Colne Valley Water 8% Red. Prf. '90	10	......
*	F.P.	9/2	196	116	Crystalate 9¼% Cnv. Ln. 2503	126	+6
99.13	£23	—	93¾	24¾	Elf (U.K.) 12¼% Uns. Ln. '91	25	......
—	F.P.	—	103	101	External Inv. 5% Cnv. Ln. 2503-08	103	......
*	F.P.	9/1	109p	66p	Fisher (A.) 7% Cnv. Prf.	109p	......
150	F.P.	67/1	91	90	Gen. Finance N/V 11.51% Ln. 2007	91	+½
99.714	£30	66/4	39⅝	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	30⅞	−½
97.268	£23	23/1	29⅞	23	Ireland 12½% 2008	28¾	−⅜
¶150p	F.P.	9/12	114p	100p	LASMO 6⅝% Cum Red Pref	105pm	......
‖	£30	10/11	46	30½	Lon. Shop Prop. 9pc Cnv. 94/99 Ser II	44	......
§150	£10	—	11½	10¾	Mid Kent Wtr. 12pc. Red Deb. 1993	11½	......
—	F.P.	—	100⅛	99⅞	Nationwide 10⅞% Bds. 9/10/84	150⅛	......
—	F.P.	—	150⅛	100	Do. 10¼% Bds. 3/11/84	100⅛	......
—	F.P.	—	100⅛	66⅛	Do. 10⅛% Bds. 3/12/84	69	−½
99.44	£23	—	93¼	63¼	Queens Moat 12% 1st Mort. Deb. 2013	23¼	......
150	£10	3/2	12	10	Sund'ld + S.ShieldsWtr6½pcOPF. 1989	12	......
§100	£10	—	11½	10½	Tend. Hundred Wtr. 12pc Red Deb 1993	11½	......
¶99½	£10	—	12	11½	West Kent Wtr. 6.23pc Red Pref. 1988	12	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or −
346	Nil	—	—	80pm	43pm	✠Air Call	75pm	−5
140	Nil	—	31/12	10pm	2pm	Aitken Hume	3pm	−1
7	F.P.	—	16/12	10	7¾	Amal. Estates 5p	9	......
58	F.P.	—	10/19	76	64	Arrow Chemicals	75	......
25	Nil	—	16/12	20pm	6pm	Barget	20pm	+5
62	F.P.	—	13/1	71	66	Charterhall 3p	68	−1
100	F.P.	—	15/12	123	116	Heywood Williams	123	......
25	F.P.	—	30/12	36	28	Manson Fin. 10p	66	......
26	F.P.	—	16/12	30	28	Phicom 10p	30	......
96	Nil	—	16/1	103	90	✠Pineapple Dance 10p	150	......
C$14⅝	Nil	—	—	14pm	12pm	Toronto Dom. Bk.	12pm	−2
85	F.P.	—	4/1	107	90	Ward White	103	−1
—	‖	—	21/11	174	133	Western Mining Options	174	+2

Renunciation date usually last day for dealing free of stamp duty. e Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. Φ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✠ Unlisted Securities Market. * Comprising of 10 New ordinary Plus 1 Series B Warrant. C Canadian.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 5	Dec 16	Mar 8	Mar 19
Dec 19	Jan 6	Mar 22	Apr 2
Jan 9	Jan 20	Apr 2	Apr 16

For rate indications see end of Share Information Service

Quieter conditions prevailed in Options with calls struck in Bats, Celtic Haven, Premier Oil, Brunswick Oil, Argyle Trust, James Halstead, Combined Technologies, Tozer Kemsley and Millbourn, Stewart Nairn, Royal Bank of Scotland and London and Liverpool. A put was taken out in London and Liverpool, while doubles were arranged in Turner and Newall, Brunswick Oil and London and Liverpool.

RISES AND FALLS

	Rises	Falls	Same
British Funds	4	70	28
Corpns. Dom. and Foreign Bonds	2	27	49
Industrials	230	260	912
Financial and Props.	105	91	328
Oils	24	25	69
Plantations	9	4	10
Mines	24	54	90
Others	71	44	65
Totals	467	575	1,550

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aran Energy	72	−6
Atlantic Res	675	−13
Bulmer (H.P.)	248	−25
Eagle Star	716	+1
FII	180	+12
GEC	174	−4
ICI	654	+4
Lon & Liv Tst	30	−3
Metal Box	308	+16
Northern Foods	178	+4
Scot & Newcastle	99½	+½
Tate and Lyle	373	−10

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Eagle Star	23	715	+19
FII	15	168	+19
GEC	13	178	+2
Saatchi & Sach	13	520	−20
Racal Elect	12	212	+10
Royal Ins	12	523	+3
BP (prtly-pd)	11	166	−4
Burmah Oil	11	166	+3
Debean Park	11	72	+5
LASMO	11	250	−3
Shell Trans	11	562	—
Bellair Cosmics	10	600	+50
Beals	10	188	+3
Smtt & Hlime	10	155	+15

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Dec 14 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Dec 13 Index No.	Mon Dec 12 Index No.	Fri Dec 9 Index No.	Thurs Dec 8 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (203)	[illegible]	−0.5	9.28	3.90	13.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2–99 (remaining sections)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	463.21	−0.1	—	4.66	—	463.59	[illegible]	[illegible]	[illegible]	377.91

FIXED INTEREST

PRICE INDICES	Wed Dec 14	Day's change %	Tues Dec 13	xd adj. today	xd adj. 1983 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	—	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	—	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	—	[illegible]
5 All Stocks	[illegible]	[illegible]	[illegible]	—	[illegible]
6 Debentures and Loans	[illegible]	[illegible]	[illegible]	—	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	—	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Wed Dec 14	Tues Dec 13	Year ago (approx)
1–15 British Government, Debs & Loans, Preference	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	4	24.10	10	39	—	—	$389.50
GOLD C	$400	14	6.50	1	96	6	34.50	,,
GOLD C	$425	10	4	8	11.50	91	20	,,
GOLD C	$450	9	1.60	—	—	—	—	,,
GOLD P	$375	17	4.50	—	—	—	—	,,
GOLD P	$400	22	13	1	16	10	19	,,
		Dec.		March		June		
SILV C	$9	—	—	—	—	2	1.30	$9.36
SILV C	$10	502	0.09	—	—	2	0.80	,,
SILV C	$11	—	—	—	—	9	0.60	,,
SILV P	$10	1	0.65 B	—	—	—	—	,,
SILV P	$11	2	1.80	—	—	—	—	,,
SILV P	$12	0	2.65 B	—	—	—	—	,,
		Jan.		April		July		
ABN C … EOE C (remaining series)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 2,998

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
Brit. Petroleum (*392)						
360	38	—	—	3	—	—
380	14	99	66	19	99	28
420	4	19	22	34	42	49
Cons. Goldfields (*611)						
460	57	77	92	0	[illegible]	[illegible]
500	26	34	54	96	[illegible]	[illegible]
550	10	33	38	57	[illegible]	[illegible]
600	2	19	—	97	[illegible]	[illegible]
650	1	5	—	147	[illegible]	[illegible]
Courtaulds (*104)						
90	—	38	42	—	[illegible]	[illegible]
95	30	—	—	1	[illegible]	[illegible]
100	—	30	34	—	[illegible]	[illegible]
110	17	91	96	6	[illegible]	[illegible]
120	8	16	17	4	[illegible]	[illegible]
130	6	8	12	8	[illegible]	[illegible]
Commercial Union (*187), G.E.C. (*175), Grand Met. (*340), I.C.I. (*654), Land Securities (*264), Marks & Spencer (*217), Shell Transport (*558), Barclays Bank (*487)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Imperial Group (*134)						
110	25	27	—	0¾	1½	—
120	17	10	—	1½	2½	—
130	9	11	13	4	7	9
140	3½	6	8½	9	11	13
LASMO (*248), Lonrho (*103), P. & O. (*242), Racal (*207), R.T.Z. (*568), Vaal Reefs (*$107)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
Beecham (*318), Boots (*208), De Beers (*$760), Guest Keen (*169), Hanson (*258), Tesco (*167)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dec. 14. Total Contracts 2,848. Calls 2,227. Puts 621

* Underlying security price

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99½	96¼	Funding 5½pc '82-84‡‡	99½xd	......	5.52	9.46
101¼	99½	Exch. 11¼pc 1984	100¼	......	11.22	9.28
104¼	100½	Exchequer 14pc 1984	101	−⅛	13.75	9.63
97	92½	Exch. 3pc 1984	97xd	−⅛	3.09	9.13
102	100	Treasury 12pc 1984	101	−⅛	11.80	9.59
107	104	Treasury 15pc 1985	105	−⅛	14.28	10.25
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100½	99⅞	N'wide 11¼pc 19.12.83	100	......	—	—
100⅝	99	Do. 11⅞pc 23.1.84	100⅛	......	11.86	9.88
100⅞	100	Do. 11⅞pc 13.2.84	100¼	......	11.85	9.72
100	99	Do. 11¼pc 19.3.84	100	....	11.22	9.83
100⅝	99⅞	Do. 11¼pc 9.4.84	100	......	11.22	9.99
100⅝	99½	Do. 10¾pc 30.4.84	100¼	....	10.66	9.83
100⅞	99⅝	Do. 10⅞pc 29.5.84	100½xd	....	10.82	9.72
100⅞	99½	Do. 10⅞pc 18.6.84	100½	....	10.82	9.81
100	99½	Do. 10⅝pc 9.7.84	100½xd	−⅛	10.51	9.71
100⅝	99¼	Do. 10⅞pc 30.7.84	100⅛	+⅛	10.83	10.14
100	100⅛	Do. 11¼pc 20.8.84	100½	−⅛	11.19	10.37
100¼	99⅞	Do. 11pc 3.4.84	100⅛	−⅛	10.96	10.17

LOANS—continued

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								
253	161	Gerrard Natnl.	235	+5	h10.0	—	6.1	—
59	43	Goode D'l Mry.5p	51	......	1.0	—	2.8	—
208	125	Grindlays	148	....	4.38	3.0	4.2	11.3
*60	39	Guinness Peat	60	+4	B—	—	—	—
142	100	Hambros 5p	137	−1	5.28	—	5.5	—
347	177	Hill Samuel	335	−8	†9.1	—	3.9	—
86½	30	Hong Shng.$2.50	62	+1	†055c	—	7.8	—
76	57	Jessel Toyn. & Gilbt.	60	......	†5.5	—	11.6	—
300	185	Joseph (Leo) £1	295xd	......	12.25	—	5.4	—
116	94	King & Shax 20p	136	......	7.5	—	9.2	—
370	270	Kleinwort B.L.	355	+8	11.8	—	4.4	—
376	395	Lloyds £1	553	+5	†24.58	3.8	6.4	4.5
*38½	25½	Mason Fin. 20p	36	......	g1.8	1.1	4.0	(32.8)
500	234	Mercury Secs.	490	+5	9.5	—	2.8	—

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
25	9¼	Keep Trust 5p	12	......	‡0.15	—	‡	—
210	140	Kelsey Inds	198	......	8.0	1.7	5.8	13.6
130	58	Kennedy Smale	80	+2	♦—	—	—	—
155	110	Kershaw (A.) 5p	130	......	‡15.0	0.6	‡	(19.1)
80	39	Kleen-E-Ze Hldgs.	68xd	......	‡4.5	0.5	9.5	—
101	52	L.C.P. Hldgs.	77	−1	3.6	1.5	6.7	(11.9)
31	14	LDH Group	27	......	—	—	—	♦
132	93	L.R.C. Int. 10p	111	......	†‡2.95	2.6	3.8	12.4
36	17	Lamont Hldgs. 10p	36	......	†1.3	1.8	5.2	14.1
41	26	Lawtex	40	......	—	—	—	♦
480	345	Lep Group 10p	460	......	17.5	0.3	5.5	63.2
49	22	Lilleshall 10p	48	......	d1.0	—	3.0	—
350	24	Lon. & Lw. 10p	30	−3	b2.75	3.1	13.1	2.7
135	97	London & Mid'd	124	......	7.75	1.1	9.2	13.5
50	20	Do. Defd	46	......	—	—	—	5.7
118½	98	Lon. & Nthn. Grp.	67½	......	F4.2	2.0	8.9	9.5
40	18	Lon. Priv. Health	19	......	—	—	—	9.5
65	46	Longton Inds.	61	−1	1.0	—	2.3	—
144	70	Low & Bonar 50p	138	−4	‡5.0	2.8	5.2	(7.0)
48	32½	MCO Group	44	......	u1.0	2.2	3.2	20.1
		for MMT Computing see Electricals						
26	16	M.Y. Dart 10p	25	......	20.25	—	1.4	—
212	134	M'c'rthy Ph. 20p	140	......	7.0	2.7	7.1	6.6
148	128	Macfarlane Gp.	130	......	†3.52	2.1	3.9	15.9
46	33	Maclellan 20p	39	......	d1.5	1.6	6.3	12.2
63	31	Macpherson (D.)	42	−1	4.2	0.6	14.3	(30.0)
56	41	Magnolia Group	53	......	2.3	3.2	6.2	6.2
72	68	Manders Hldgs. 10p	68	......	—	—	—	72.6
180	65	Man. Ship Can. £1	139	......	3.5	6.8	3.7	4.2
77	48	Marley	75	......	†2.5	0.5	4.8	(2.0)
47	30½	Marling Ind. 10p	44½xd	......	†1.08	1.7	3.5	(9.0)
34	25	Marshall L'ey 'A'	31	......	‡7.2	—	‡	—
70	44	Marshall's Univ	68	......	B—	—	—	134.2
32½	23	Martin-Black	29½	......	—	—	—	—

LEISURE—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net
112	85	Assoc. Leisure 5p	100	−2	†n4.13
128	72	Barr & W.A.T. 'A'	89	......	†5.0
100	40	Black & Edgtn.	80	......	♦—
178	118	Boosey & Hawkes	155	......	†2.3
61	32	Campari Intl. 20p	40	−1½	‡d2.75
170	160	Central TV N/Vtg 50p	170	......	—
40	23	Fairline Boats 10p	37xd	......	1.75
46½	14½	GRA Group 5p	43	+½	—
69	45	Grampian TVA 10p	68	......	†3.6
198	136	HTV Non-Vtg	196	......	11.0
222	118	Horizon	158	+6	†9.6
162	91	Intasun 10p	149	+2	4.0
60	22	Intervision Video 10p	24	......	1.0
400	258	Juliana's Hldgs 2p	400	+15	b4.9
185	139	LWT "A"	179	......	11.08
147	47	Leisuretime Int 10p	47	......	g1.54
132	98	Magmt. Ag. M. 10p	98	......	8.75
77	52	Medminster 10p	77	+2	4.4
170	110	Miss World Grp 10p	100	......	b3.0
23	17½	Nationwide 5p	19	......	—
128	26	Nimslo Int 20c	26	−1	—
128	45½	Norton Opax 10p	123	......	(2.17
30	22½	Owners Abroad	28½	+½	0.5
47	36	Photax (Lon.)	37	......	—
147	84	Pineapple Dance 5 10p	100	......	g1.5
363	237½	Pleasurama 5p	335	+5	†5.75
173	108	Radio City 'A' NV	158xd	......	‡4½
209	138	Riley Leisure 10p	147	−1	†3.95
132	85	Saga Hols. 20p	107xd	......	d3.75
515	325	Samuelson Grp £1	335	......	12.0
111	94	Scott. TV 'A' 10p	111	......	7.35
68	27	SelecTV 10p	30	......	—
26	15½	TSW 5p	24	......	12
79	30	TVS N/Vtg 10p	79	......	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	19½	+½	—	—	—
52	31	Allstate Expin NL	38	......	—	—	—
40	9	♥Austrain Mng. NL	27	......	—	—	—
25	11	Balmoral Resources	16	−1	—	—	—
60	34	♥Black Hill Mins.	36	−2	—	—	—
87	51	♥Bond Corp	78	+1	Q10c	♦	8.2
103	116	♥Bougainville 1 Kina	165	−2	mQ3.21	1.2	1.2
374	204	♥CRA 50c	372	......	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	84	......	—	—	—
44	25	♥Central Kalgoorlie	38	......	—	—	—
43	10	♥Central Pacific	21	−1	—	—	—
9	2¼	♥Con. Gold Mng Areas	3½	......	—	—	—
17	5	♥Coopers Res. N.L.	9½	+1	—	—	—
255	183	♥Crusader Oil	204	..	—	—	—
20	0	♥Cultus Pac NL	16	..	—	—	—

Tins

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	22	Admiral Mines	22	..	—	—	—
90	34	♥Anglo-Dominion	70	....	—	—	—
93	54	♥Anglo Utd. Dev.	57	..	—	—	—
400	190	Centennial Minerals	190	−15	—	—	—
172	60	♥Colby Res Corp	110		—	—	—
650	315	Cons. Murch. 10c.	650	+25	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	207	−1	3.75	2.1	2.9
215	103	♥Highwood Res.	175	+5	—	—	—
£24½	£17½	Homestake Mining $1	£21⅞	+⅛	Q20c	—	0.6
495	275	Northgate C$1	370	−5	—	—	—
671	437	R.T.Z.	582	−3	t17.0	2.9	4.2
£147½	£108	Do. 9¼% Cv. Ln. '95-2000	£130	−1	Q9½%	32.5	(7.6
190	13	♥Sabina Inds C$1	65		—	—	—
750	312	♥Tara Expln $1	740	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ✣ USM, not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ∅ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ◊ Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	64	......	Fin. 13% 97/02	£95⅛	−⅛
Bdg'wtr. Est. 50p	310	......	Alliance Gas	85	......
Craig & Rose £1	£10xd	......	Arnott	205	......
Finlay Pkg. 5p	41	......	Carroll (P.J.)	101	......
Higsons Brew	87	......	Concrete Prods.	85	......
Holt (Jos.) 25p	900	−10	Hall (R. & H.)	55	+2
I.O.M. Stm. £1	130	+3	Helton (Hldgs.)	13	......
			Irish Ropes	35	......
IRISH			Jacob	70	......
Exch. 12% 1985	£99	−⅛	T.M.G.	85	......
Nat. 9¾% 84/89	£88⅞	−⅛	Unidare	80	......

OPTIONS

3-month Call Rates

Industrials				Stock	
		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp.	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	50	MEPC	24
Boots	17	"Lots"	5	Peachey	17
Bowaters	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	14	"Mams"	12		
Brown (J.)	3	Mrks. & Spncr	20	**Oils**	
Burton Ord.	38	Midland Bank	42	Brit. Petroleum	35
Cadburys	11	N.E.I.	10	Burmah Oil	16
Courtaulds	11	Nat. West. Bank	55	Charterhall	8
Debenhams	14	P & O Dfd.	22	KCA	6
Distillers	20	Plessey	20	Premier	5
Dunlop	5	Racal Elect.	18	Shell	50
Eagle Star	60	R.H.M.	7	Tricentrol	28
F.N.F.C.	6½	Rank Org. Ord.	19	Ultramar	60
Gen. Accident	42	Reed Intnl.	34		
Gen. Electric	17	Sears	8		
Glaxo	75	T.I.	14		
Grand Met.	30	Tesco	16	**Mines**	
G.U.S. 'A'	55	Thorn EMI	55	Charter Cons.	22
Guardian	45	Trusthouse	16	Cons. Gold	50
G.K.N.	16	Turner & Newall	0	Lonrho	8
Hawker Sidd.	32	Unilever	75	Rio T. Zinc	58

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Commercial Union Group

St Helens, 1 Undershaft, EC3. 01-283 7500

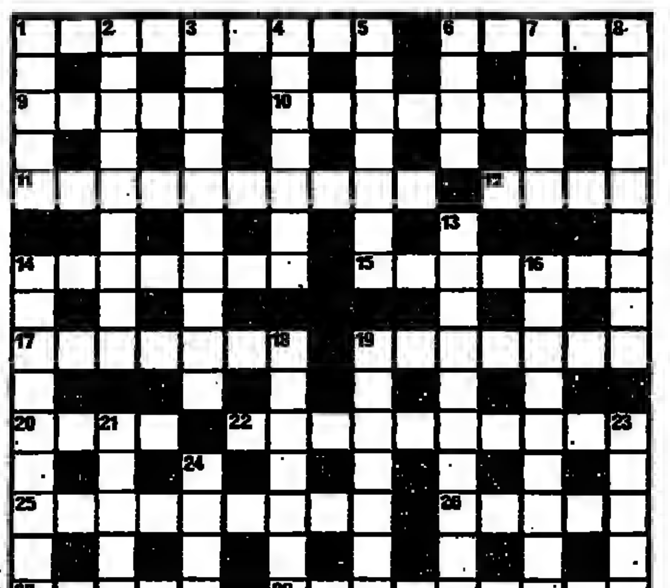
VarAnUtsDc10	—	140.52	....	—
VarAnUtsDc16	—	33.28	....	—
Prime Series				
Managed	127.2	133.0	-0.4	—
UK Equity	128.9	135.7	-0.8	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,294



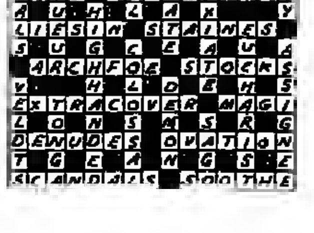
ACROSS

1 Shoot the fish? Surprising! (9)
6 Ruined announcement in a success (3, 2)
9 Show was for all to see in ever changing scene (5)
10 Me? I err with sub, getting muddled. Have to pay for loss . . . (9)
11 . . . Loss was this! (4, 6)
12 Novice in pretty ropy appearance (4)
14 Body of church as relative (7)
15 Since she's after writing back she's very attractive (7)
17 Basic statement before the girl ((7)
19 Need answer, in short, to be groups of 9? (7)
20 River with craft almost flowing back (4)
22 Job applicants can be on them with brief leanings (5, 5)
25 A ruck broken—disapproving noises around—"Cowboys!" (8)
26 Nothing comes from a rut. It's woody (5)
27 Team of fliers (5)
28 Shaft maintaining flight skilfully (9)

DOWN

1 Form of bush, right? (5)
2 Vehicle on time in saying gain (9)
3, 21 The Greeks, The Romans . . . ? (3, 7, 5)
4 Make them to intrude, for driving to town? (7)
5 One of 3, 21 (7)
6 Where the pots are round a tramp? (4)
7 One of 3, 21 (5)
8 Where rackets may be exposed (3, 6)
13 One of 3, 21 (5, 5)
14 Upper lip association—cub do, with wisp in tangle (6, 3)
16 Principal's inflexion may be on the grave side (9)
18 They could be of fish or of thought (7)
19 Continental link-up, i.e. auras entwined? (7)
21 See 3.
23 Enchanting period? (5)
24 One of 3, 21 (4)

Solution to Puzzle No. 5293



INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

Sugar values fall from recent highs

BY RICHARD MOONEY

WORLD SUGAR values fell yesterday with the London daily raws price being fixed £7 lower at £130 a tonne and the May position on the London futures market ending £4.40 down on the day at £157.625 a tonne.

Dealers could point to no clearly bearish news to explain the fall. Some saw the authorisation of 46,750 tonnes of whites for export with an ECU 339.90 (£195.56) subsidy at the weekly EEC tender in Brussels as mildly bearish, but most thought the tender result was neutral.

The only other fresh news was the announcement of a snap buying tender for 12,000 tonnes by Tunisia, but this would clearly have been a bullish influence.

It was pointed out, however, that sugar values had been sustained at relatively high levels recently only by vague hopes for the successful outcome of International Sugar Agreement negotiations and for the return of the Soviet Union to the market as a buyer.

These factors have been overtaken gradually by a lack of firm interest and by the evident keenness of India to sell sugar onto the world market.

● In Paris, M Georges Garinois, president of the French Beet Growers' Confederation, said this season's crop was estimated at 3.55m to 3.56m tonnes, sharply down on last year's 4.45m but bigger than forecast earlier in the season, thanks to ideal autumn weather.

In Bonn, the West German Sugar Industry Association cut its estimate of beet deliveries to refineries to 16.27m tonnes from 16.34m tonnes last week and 22.48m tonnes in the 1982/83 campaign.

China's total output of sugar crops this year is estimated at a record 45m tonnes, up 3.2 per cent from 1982, Reuter reports from Peking.

Straw burning rules urged

BY OUR COMMODITIES STAFF

STRAW BURNING should be controlled by a system of national regulations instead of local by-laws which vary from place to place, and stiffer penalties should be imposed for breaches of the rules, according to the National Association of Local Councils.

The association, which represents 7,500 parish, town and community councils in England and Wales, has sent its proposals to Mr Michael Jopling, Agriculture Minister, and has also written to the Environment Department and the National Farmers' Union.

The proposals are not unanimously supported within the association. At least five of its 44 county branches want straw burning to be banned and alternative disposal methods to be found.

The Home Office, meanwhile, has proposed a drastic tightening-up of the by-laws on straw burning, including a 15-acre limit on any single burn and a ban on weekend and bank holiday burnings. It also wants farmers to incorporate ashes into the soil within 48 hours of a burn.

The proposals have not been well received by the National Farmers' Union, although it recognises that some further restriction on burning is inevitable after this year's widely publicised problems.

The union argues that 25 acres is the lowest practical limit for a burn.

NZ minister attacks EEC butter deal

THERE IS no reason why efficient dairy farmers in New Zealand should be held hostage to settlement of the European Community's problems, Mr W. E. Cooper, New Zealand Minister of Foreign Affairs and Overseas Trade, declared in Wellington yesterday.

Mr Cooper was commenting on the decision reached by EEC farm ministers this week to approve a two-month "roll-over" arrangement on access of New Zealand butter to the Community.

He said there was no justification for putting New Zealand's trade in a strait-jacket of roll-overs when the Community's own milk production and trade continued unaffected by the failure to reach decisions at the Athens meeting.

● Average price of all tea sold at auction on Monday rose to 252.59p a kilo from 250.91p last week. Brokers said the result was anomalous: the higher average was due to the coincidence of a greater proportion of good quality North Indian types and a smaller offering of plain teas.

● ENGLISH farm rents averaged £79.73 a hectare in mid-October, up 10.4 per cent from a year earlier, according to figures published by the Ministry of Agriculture yesterday. Rent changes took place on 35 per cent of farms in the sample and for these the average ended at £89.59 a hectare, up 28.6 per cent.

● PAKISTAN estimates that its 1983-84 cotton crop will be little over 3.35m bales against a target of 5.2m bales.

● U.S. production of cotton seed this year is estimated to be 3,063,000 short tonnes against an estimate of 3,017,000 tons last month and against 399,441 last year.

Banana glut hits the Windward Islands

Canute James explains why a surplus has arisen at the worst possible time

THE SUDDEN fall in demand for bananas in Britain, attributed to a recent spell of cold weather, is a severe blow for Caribbean producers.

It comes just at a time when producers in the Windward Islands are striving to boost exports and recover some of the market share lost in Britain in recent years through production setbacks. Now the glut in supplies to the UK, and falling prices, means production has had to be cut rather than expanded.

Discussions between Geest Industries, which markets Windward Islands fruit, and the Windward Islands Banana Producers Association, have ended with a decision to delay shipments. Fruit prepared for export has been left in St Lucia and St Vincent.

Mr Lenard van Geest, chairman of the company, said it had secured contracts to dispose of some Windward Islands bananas in Italy. The quantity was not disclosed, but after a meeting with the Windward Islands producers, Mr van Geest suggested that special attention be given to improving fruit quality, which has declined.

The production cuts for the Windward Islands (which also include Dominica and Grenada) have threatened their efforts to reach an export target for this year of 130,000 tonnes, 20,000 tonnes more than last year.

The problems have been particularly painful for St Lucia which this year expected to ship 65,000 tonnes of fruit, a 52 per cent increase on last year's exports.

The new developments have also further depressed spirits in Grenada where the economy has been hard hit by the U.S.-led military invasion in October following a army coup.

Before the invasion the island was on the way to equalling last year's shipments of 9,000 tonnes. Fields have not been adverseley affected by the fighting, but shipping schedules have been disrupted.

Grenada's banana farms also face the prospect of having to do without a $7.5m (£5.3m) loan granted by Canada to the previous government for cocoa rehabilitation. This would have been directly beneficial to the banana sector, for banana trees are used to provide shade for the cocoa plants.

One consolation for the Windward Islands is that any fall in shipments will be made up for by an earlier agreement with Geest Industries to increase the green market price of fruit by £30 a tonne to £425 a tonne.

While bananas from the Windwards are finding their way to a new market in Italy, Jamaica has announced efforts to exploit the market in the U.S. Although still far short of fulfilling what the industry says is its potential on the British market, trial shipments of Jamaican fruit have been sent to Miami.

The industry is motivated by the shorter shipping time to the U.S. and aims to lay the base for meeting any shortfalls in Latin American supplies to the U.S. which may be caused by instability in Central or South America.

Any benefits for Jamaica on the U.S. market must be some way in the future since the island is this year struggling to ship 30,000 tonnes of fruit to Britain. The industry says Jamaica is assured of British sales of at least 150,000 tonnes when this can be produced, but the average annual output of 70,000 tonnes has not been reached since a hurricane devastated the better farms in summer 1980.

A recovery of this market is dependent on two new farming projects being undertaken by the Government and United Brands of the U.S. The first attempt, which involves expenditure of $30m to farm 2,000 acres of fruit, has already started in eastern Jamaica. Another 2,000-acre development is planned for the central area of the island.

Mr Edward Seaga, Jamaica's Prime Minister, said: "What we are looking at is some 4,000 acres which will be able to produce between 60,000 and 100,000 tonnes for fruit for export. This will give us a very substantial base for meeting the 150,000-tonne market in the UK which we have not been able to meet for years."

Industry representatives here have said that the recently reported financial losses suffered by United Brands will not affect the local projects, which are aimed at a yield of 15 tonnes an acre — high by Jamaican standards.

Farmers to get Prestel animal feed ordering service

BY OUR COMMODITIES EDITOR

A SCHEME under which farmers will be able to buy raw materials for animal feeds at competitive prices will be introduced on Prestel from January 1 by Mill Feed Services.

By dialling the appropriate Prestel page, subscribers to the service will be given details of current world market prices for animal feed ingredients ranging from soyabeanmeal to cereal substitutes. They will also be able to obtain a recommendation by Mill Feed Services' specialists on the lowest-cost formulation available to meet their individual requirements and order the materials for immediate or forward delivery.

The service is part of a plan by Mill Feed Services to make on-farm mixing of animal feeds more competitive.

The Mill Feed group of companies was formed to promote an American idea whereby "feedmobile" lorries provide farmers with on-the-spot animal feed mixing facilities, using the former's own grain but supplying protein additives, mineral supplements or cereal substitutes.

On-farm mixing is estimated to account for some 7m tonnes of animal feed produced each year, but the big feed compounders have managed to keep their leading share of the market with sales of around 11m tonnes a year because of their ability to buy raw materials cheaply and use sophisticated computer programmes to calculate the lowest-cost formulations.

It is this advantage for compounders that Mill Feed Services aims to eliminate with its "Millerman exchange" scheme. This was launched earlier in the year and will now be available to a wider audience through Prestel.

Under the scheme Mill Feed Services will provide livestock producers with direct access to world commodity markets and will also undertake centralised buying on their behalf at prices individual farmers would normally not be able to obtain.

The group has eight delivery depots in the country, where it can store farmers' forward purchases of raw materials if required. It also has 64 feedmobiles—described as a small factories on wheels—which not only provide on-farm mixing but also have links with a computer system giving the latest price details and suggested feed formulations.

Rise in U.S. aluminium prices forecast

By Our Commodities Editor

U.S. aluminium ingot prices will rise to between 90 and 93 cents a lb by the end of 1984 against 81 cents now, according to a forecast by Mr James Walker, vice-president of sales for Noranda Aluminium.

Mr Walker told the National Association of Recycling Industries meeting in New York that he expected aluminium ingot prices to average 85 cents a lb in 1984 with a significant rise coming at the end of the year, and that a further fall in stocks in the next six months could cause periods of relatively tight supplies.

Meanwhile, however, base metal prices on the London Metal Exchange failed to respond yesterday to the weaker trend in sterling against the dollar.

In the U.S. Asarco again cut its domestic selling price of copper by 0.50 cents to 68 cents a lb, and the New York aluminium and copper futures markets both opened showing losses on the previous day.

Coffee moves to new peaks

COFFEE prices moved to new life-of-contract highs on the London Robusta futures market yesterday. The January position gained £42 to £2,158.5 a tonne and the March position £15 to £2,020.5.

The rise reflected the easier trend in sterling and a continued shortage of immediately available supplies.

The Brazilian Coffee Institute said in Rio de Janeiro last night that it was raising its export price for all green coffees by 3 cents a lb. It opened export registrations for January/February with a full quota of 1.2m bags (of 60 kg each) for January and a 300,000 bags initial quota for February.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 14 1983	+ or —	Month ago
Metals			
Aluminium	£1060	......	£1050
Free Mkt	$1580/1610	......	$1610/640
Copper			
Cash h grade	£923.2	—5.8	£945.00
3 mths	£1020.88	—5	£967.25
Cash Cathode	£977	—6	£926.50
3 mths	£1005	—6	£951.50
Gold troy oz	$388.375	—1	$385.125
Lead Cash	£272.75	—2	£278.25
3 mths	£282.625	—2.125	£285.75
Nickel	£4646.34		£4648.34
Free Mkt	205/225c		208/228c
Palladium oz	$163.50	—1.50	$149.00
Platinum oz	£277.35	—0.80	£223.75
Quicksilver†	$305/315	......	$315/320
Silver troy oz	660.45p	+2.90	507.95p
3 mths	675.30p	+3.05	881.40p
Tin cash	£8730	—2.5	£8642.50
3 months	£8887.5	+8.5	£8780.50
Tungsten	$78.08	......	$78.26
Wolfr'm 22.04lb	$68/72	......	$62/73
Zinc Cash	£590.75	—5.75	£282.75
3 mths	£606.125	—4.625	£615.25
Producers	$950	......	$936

	Dec. 14 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$995x	......	$900
Groundnut	‡	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$705y	......	$660
Seeds			
Copra Phil	$660x	—10	$585
Soyabean (U.S.)	$309	—3	$326.78
Grains			
Barley Fut. Mar	£123.70	—0.15	£119.75
Maize	£146.60	......	£146.00
Wheat Fut. Mar	£123.40	—0.30	£121.30
No 2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1878	......	£1608
Fut. March	£1813.5	—4	£1563.5
Coffee Ft. Mar	£2020.0	+13	£1907
Cotton A.Index	82.40c	—0.20	89.40c
Gas Oil. Jan	$243.25	—0.75	$249.50
Rubber (kilo)	86.50p	......	79.50p
Sugar (Raw)	£130x	—7.0	£134
Woolt'ps 64s	418p kilo	......	401p kilo

‡ Unquoted. v Jan. x Dec-Jan. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

GOLD MARKETS

Gold fell $1 an ounce from Tuesday's close in the London bullion market yesterday to finish at $388-388¾. The metal opened at $390¼-391 and traded between a high of $390¼-391 and a low of $387-387¾. Trading volume was on the low side with buying interest inhibited by the dollar's firmer trend and a further rise in U.S. interest rates.

In Paris the 12½ kilo bar was fixed at FFr 106,250 per kilo ($389.93 per ounce) in the afternoon compared with FFr 106,250 ($390.62) in the morning and FFr 105,700 ($391.24) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,800 per kilo ($391.01) against DM 34,645 ($390.97) and closed at $388¾-$389¼ from $389¾-390¼.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $390.50 from $389¾-390.

In Zurich gold closed at $388¾-$389¼ from $389¾-390.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec	388.00-93.00	+0.55	581.10-90.00
Feb	393.80-94.10	—0.85	595.70-92.50
April	400.00-01.00	—1.35	400.00
June	406.50-80.00	—1.00	406.50
Aug	415.00-15.50	—0.85	—
Oct	420.00-22.50	—1.00	—

Turnover: 372 (370) lots of 100 troy ounces.

	Dec. 14		Dec. 13	
Gold Bullion (fine ounce)				
Close	$388-388¾	(£273¾-274¼)	$389-389¾	(£274-274¼)
Opening	$390¼-391	(£278¼-275¾)	$389-389¾	(£270¼-278¾)
Morning fixing	$390	(£278.268)	$389.75	(£078.317)
Afternoon fixing	$389	(£273.847)	$680.20	(£273.603)
Gold and Platinum Coins Dec. 14				
Krugrnd	$400½-401	(£282¾-283¼)	King Sov	$09.03½ (£66.66)
½ Krg	$206¼-007	(£143¾-146¼)	Victoria Sov	$90.03¼ (£65.66)
¼ Krg	$105¼-106	(£74¼-74¾)	French 20s	$77¾-80 (£65.56½)
1/10 Krug	$43-43½	(£30¼-30¾)	50 pesos Mex	$472-474 (£333¼-334¾)
Mapleleaf	$400¾-401¼	(£283-283¼)	100 Cor. Aust	$378-382 (£257.288¼)
New Sov	$91¼-92	(£64½-65)	$20 Eagles	$555-548 (£377¾-584¾)
½ New Sov	$54½-55¼	(£38¼-39)	Noble (Plat)	$408¾-418¼ (£288¼-291½)

EUROPEAN MARKETS

ROTTERDAM, December 13

Wheat—(U.S. $ per tonne): U.S. Two Red Winter Jan 157, Feb 158.50, March 160, April 161.50; U.S. Two Northern Spring 14 per cent protein Dec 183, Jan 190, Feb 190, March 190, April-May 177, June 177; U.S. Three Amber Durum Jan 208, Feb 210, March 212, April-May 197, June 198, July 199; Canadian Western Spring Dec 208, April-May 212, June 213.

Maize—(U.S. $ per tonne): U.S. Three Yellow afloat sil Ghent 154, Dec 152, Jan 151.50, Feb 152.80, March 153, April-June 153, July-Sept 153 sellers; Argentine Plate: Jan 174, April-June 159 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Dec 309, Jan 305, Feb 309.25, March 312.50, April 315.25, Aug 315, Sept 294; Oct 264.75, Nov 264.75, Dec 268.75, Jan 273.25 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 247, Dec 247, Jan 250, Feb-March 256.50, April-Sept 252, Nov-March 223 sellers; Pellets Brazil: Dec 275, Jan 280, Feb 282.50, March 272, April 267.50, April-Sept 257, Oct-Dec 244 sellers; Pellets Argentine: afloat 259, Dec 260, Jan 260, Feb 262, March 266.50, May-Sept 250, Oct-Dec 241 sellers.

PARIS, DECEMBER 14

Cocoa—(FFr per 100 kg): Dec 2140/2200, Mar 2195/2197, May 2190/2193, July 2185 bid, Sept 2160/2185, Dec 2155, Mar 2158 asked.

Sugar—(FFr per 100 kg): Mar 224.51/225.24, May 232.60 ask, Aug 243.38 ask, Oct 253.84 ask, Dec unquoted Mar 268.11 bid.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.25-28.35	+0.03
Iranian Light	27.80-28.00	—0.05
Arab Heavy	26.25-26.35	+0.05
North Sea (Forties)	28.60-28.75	
North Sea (Brent)	28.50-28.80	—0.02
African Bonny L'ht	28.85-29.06	+0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	270-276	—1.0
Gas oil	244-252	—6.0
Heavy fuel oil	166-172	—

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	U.S. $ per brl		
Feb	28.82	—	—
Mar	28.25	—0.16	28.28-28.24
Apr	28.23	—	—
May	28.15	—0.11	28.15-28.15
June	28.17	—	—

Turnover: 38 (31) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec	242.75	—1.25	244.50-242.7
Jan	243.25	—0.75	244.00-242.7
Feb	240.75	—0.75	242.00-240.7
Mar	237.00	—0.50	239.00-236.5
April	234.00	—	235.75-233.0
May	232.00	—1.00	232.50-231.7
June	231.70	—0.75	231.50-231.5
July	232.00	—1.00	232.00-232.0
Aug	232.00	—2.00	—

Turnover: 1,813 (1,050) lots of 100 tonnes.

BRITISH COMMODITY PRICES

BASE METALS

COPPER VALUES remained under pressure on the London Metal Exchange despite renewed weakness in sterling against the U.S. dollar: forward material attracted modest support in initial dealings and touched £1,026 before falling sharply to close the late afternoon Kerb at £1,015. The selling was attributed to persistent rumours of higher U.S. interest rates which also depressed copper prices on Comex. Lack of interest unsettled ZINC which retreated to £605.0, while the downturn in copper prompted persistent selling of LEAD which closed the afternoon at £286. ALUMINIUM was finally quoted at £1,105 and NICKEL at £3,380. TIN closed at £8,875 after £8,910.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	994-.5	—.75	993-4	—5.5
3 months	1021-.5	......	1020-.5	—5
Settlem't	994.5	—1	—	......
Cathodes				
Cash	977-8	—9	976-8	—6
3 months	1003.5-4.5	......	1002-4	—6
Settlem't	978	—9	—	......
U.S. pro'd	—	—	*88-72	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £994.50, three months £1,022, 22.50, 22, 21, 21.50, 22, 21.50, 21. Cathodes: Three months £1,004.50. Kerb: Higher Grade: Three months £1,021, 21.50. Afternoon: Higher Grade: Three months £1,019.50, 19, 12.50, 20, 20.50, 21, 20.50, 20. Kerb: Higher Grade: Three months £1,018, 17, 17.50, 17, 16, 17, 10.50, 18, 15.50, 16, 16, 17, 16, 15.50, 15. Turnover: 27,150 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8770-5	+17.5	8770-80	—15
3 months	8890-900	+25	8900-510	+2.5
Settlem't	8775	+15	—	......
Standard				
Cash	2729-5	+15	2725-35	—9.5
6 months	8885-6	+22	8885-90	+5.5
Settlem't	87186	+13	—	......
Straits E.	:590.20	—0.05	—	......
New York	—			

Tin—Morning: Standard: Cash £8,721, 22, three months £8,870, 80, 85. High Grade: Cash £8,760, 70, three months £8,900. Kerb: Standard: Three months £8,883, 85, 8,910, 06, 05. Afternoon: Standard: Three months £8,900, 01, 2,900, 05, 03, 02, 05, 2,890, 85. Kerb: Standard: Three months £8,885, 75, 70, 75. Turnover: 2,410 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	278.5-8	—1.5	279.0-80	—3
3 months	288.5-9	—1.37	288.5-.75	—2.12
Settlem't	270	—1.5	—	......
U.S. Spot	—	—	*24-8	......

Lead—Morning: Cash £278.50, 78, 78.50, three months £291, 90.50, 90, 89, 88.25, 88.50. Kerb: Three months £289, 89.50. Afternoon: Three months £289.50, 90, 89.50, 89, 89.25, 89.50, £289.50. Kerb: Three months £288, 87, 88, 87.50, 87, 86.50, 86. Turnover: 5,360 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	501.5-2.5	—2.25	090.0-1	—5.75
3 months	507.5-8	—1	806-.96	—4.62
Settlem't	583.5	—3	—	......
Primw'ts	—	—	*49-.70	......

Zinc—Morning: Three months £609, 08.50, 10, 09.50, 09, 08. Kerb: Three months £608, 07.50. Afternoon: Three months £607, 06.50, 06, 07.50, 06, 07, 06.50, 06. 05.25. Kerb: Three months £606.5, 06, 06.5, 05, 05.5. Turnover: 14,125 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	1078-.5	—1	1078-9	+1
3 months	1106.5	—1.5	1106-.8	+1

Aluminium—Morning: Three months £1,106, 06.50, 07, 07.50, 07, 06.50. Kerb: Three months £1,108.50, 08.50. Afternoon: Three months £1,106, 07, 06.50, 06, 06.50, 07, 06.50, 06. Kerb: Three months £1,105, 04, 03, 02.50, 02, 01, 03, 04, 03, 03.5, 04, 04.5, 05. Turnover: 20,725 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3305-10	+26	3285-95	—6.5
3 months	3385-90	+25	3370-3	......

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

Nickel—Morning: Cash £3,305, three months £3,390, 85, 82, 83, 82, 84, 86. Kerb: Three months £3,390, 85. Afternoon: Three months £3,375, 70, 65, 67, 70, 75, 73, 72. Kerb: Three months £3,370. Turnover: 1,836 tonnes.

SILVER

Silver was fixed 2.9p an ounce higher for spot delivery in the London bullion market yesterday at 660.45p. U.S. equivalents of the fixing levels were: spot $9.3325, down 4.75c; three-month $9.566, down 4.4c; six-month $9.82, down 4.8c; and 12-month $10.338, down 5.2c. The metal opened at 661½-664½p ($9.38-9.42) and closed at 657-660p ($9.31-0.35).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	660.45p	+2.90	664.50p	—0.58
3 months	675.30p	+3.05	662.50p	—0.75
6 months	821.85p	+3.15	—	......
12 months	784.85p	+3.20	—	......

LME—Silver (2,000 oz contract)—Three months 672p (669p). Turnover 1 (1).

Turnover: 151 (143) lots of 10,000 oz. Morning: Large cash 658.0, three months 676.0, 72.0, 71.5, 72.0. Kerb: large three months 672.5, 73.0. Afternoon: Large three months 673.0, 70.0; small three months 672.0. Kerb: large three months 670, 70.5, 71, 70.

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
January	2156-57	+42.0	2162-96
March	2020-21	+16.0	2033-09
May	1933-34	—2.0	1960-26
July	1878-80	+5.0	1890-76
Sept	1820-23	—10.0	1850-88
Nov	1793-95	—6.5	1815-1785
January	1756-62	—12.5	1760-75

COCOA

Trading over a strong range today ended the afternoon session only marginally easier than the previous close. Current levels failed to impress producers or consumers who both remained sidelined, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1810-25	—83.5	1861-20
March	1810-11	—4	1836-00
May	1801-00	—6	1824-90
July	1788-92	—4	1810-82
Sept	1787-72	—3	1790-65
Dec	1732-33	—0	1755-50
March	1722-25	—6	1735-53

Sales: 7,011 (7,440) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound). Daily price for Dec 14: 112.28 (112.86): five-day average for Dec 15: 112.63 (112.13).

GRAINS

Business done—Wheat: Jan 121.00-0.50, March 123.45-3.20, May 126.45-0.10, July 129.25-9.00, Sept 113.40-3.10, Nov 110.05 only. Sales: 210 lots of 100 tonnes. Barley: Jan 121.30-1.00, March 123.70-3.30, May 125.20-5.10, Sept 111.10 only, Nov none. Sales: 205 lots of 100 tonnes.

WHEAT			BARLEY	
Mnth.	Yesterdy's close	+ or —	Yest'day's close	+ or —
Jan	120.65	—0.85	121.55	—0.15
Mar	123.40	—0.50	196.70	—0.15
May	126.40	—0.15	120.30	—0.30
July	129.55	—0.15	—	......
Sept	113.40	+0.30	111.10	......
Nov	116.06	+0.25	114.05	+0.15

HGCA—Locational ex-farm spot prices. Feed barley: E Mids 119.00, N East 119.80. The UK monetary coefficient for the week beginning Monday December 19, is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Jan 145.25, Feb/March 145 trans shipment East Coast sellers. English Feed fob Jan/March 127.50 East Coast seller. Maize: French second half Dec 146.50, Jan 147.50 East Coast sellers. Barley: English Feed fob Jan/March 127.50 East Coast seller.

Markets eased with long liquidation in spots. Shipper buying entered the market and values improved to close at the day's highs. New crops improved a little on profit taking, reports Muirpace.

HIDES

HIDES — Birmingham (Manchester). Second steers. Ox: 31-35.5 kg 91.5p a kg (94.4p); 26-30.5 kg 100.3p a kg (106.6p); 22-25.5 kg 114.8p a kg (110.3p). Cows: 25.5 kg 113.1p a kg (115.0p).

POTATOES

Despite rising Amsterdam prices, London slipped further, with some traders attributing drop to reports of poor consumption. Support levels broke through on closing call, but book-squaring lifted closing prices off the lows, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	158.50	161.50	162.00-158.2
April	183.50	187.70	188.00-180.0
May	191.00	194.00	195.00-189.1
Nov	76.00	77.50	—
Feb	85.00	85.00	—

Sales: 1,186 (1,495) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, there was little interest throughout the day and closed slightly easier, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No. 1 was 266 (266.5) cents a kg and SMR 20 223.6 (224).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Jan	865-866	870-880	865
Feb	860-870	870-875	—
Jan-Mch	862-864	868-870	866-862
Apl-Jne	873-874	877-872	880-870
Jly-Sept	883-884	887-888	891-882
Oct-Dec	893-895	897-900	900-898
Jan-Mch	903-904	909-210	906-904
Apl-Jne	914-216	219-220	919-014
Jly-Sept	925-326	923-331	934-927

Sales: 410 (161) lots of 15 tonnes. 0 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: spot 86.00p (86.50p); Jan 85.50p (86.50p); Feb 85.75p (86.50p).

SOYABEAN MEAL

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec	180.00-90.00	+3.75	189.00
Feb	182.00-83.10	—0.50	183.50-85.90
April	185.00-80.00	—0.25	186.00-85.20
June	181.70-82.20	—0.30	182.90
August	181.00-82.00	+0.05	182.10-82.00
October	175.00-75.50	+1.25	175.50-82.00
Dec	155.50-84.00	+1.50	185.00

Sales: 195 (219) lots of 100 tonnes.

SUGAR

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	152.00-52.15	157.00	157.75-51.75
May	157.00-57.55	162.00	162.00-57.50
No. 6 Contract	**$ per tonne**		
Mar	217.60	225.00-25.20	225.40-16.20
May	225.40-25.60	233.00-33.40	233.00-24.60
Aug	233.40-33.60	240.80-41.00	238.40-33.60
Oct	241.00-41.40	248.60-49.40	245.20-41.60
Dec	246.50-48.00	254.00-55.00	—
Mar	265.00-65.80	270.00-71.40	268.00-64.00
May	270.00-71.00	277.00-78.00	—

LONDON DAILY PRICE—Raw sugar £138.00 (£137.00) a tonne for Dec-Jan shipment. White sugar £153.50 (£157.00).

Sales: No 4 5,489 (1,674); No 6 5,156 (388) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £237.25 (£246.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for December 13. Daily once 7.82 (8.03): 15-day average 8.23 (8.29).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 535.0, 540.0, untraded; March 557.0, 559.0, 557.0-557.0; May 568.0, 568.5, untraded; July 576.0, 578.5, 579.0-579.0; Oct 570.0, 575.0, untraded; Dec 580.0, 582.0, 580.0-580.0; March 592.0, 603.0, untraded; May 602.0, 612.0, untraded. Sales: 14.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 407, 410, 403-402; Jan 402, 403, 413; March 412, 414, 422-420; May 421, 422, 437-436; Aug 435, 438, 439; Oct 436, 440, nil; Dec 438, 442, nil; Jan 439, 442, nil; March 445, 452, nil; May 452, 458, 459. Sales: 96.

COTTON

Spot and shipment sales in Liverpool amounted to 240 tonnes. Renewed pressure for supplies was averted and useful buying was recorded in a wide variety of styles. These included Middle Eastern qualities and attention was also centred on North and South American growths.

JUTE

London continued the recent upside move as early trade and commission house buying encouraged nearby gains, reports Drexel. Fresh contract highs were seen in all positions before dealer selling created a sharp decline.

Sales: ?,??? (4,896) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Dec 13. Comp. daily 1979 141.76 (140.91): 15-day average 139.10 (138.86).

MEAT/FISH

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.50-£7.70; codlings £4.50-£5.50; medium haddock £4.30-5.20, small £3.20-£3.90; large plaice £6.50-£6.70, medium £6.20-£6.70, best small £5.60-£6.50; skinned dogfish, medium £8.00; lemon sole, large £20.40, small £7.60; rockfish £4.20; saithe £2.40-£2.80.

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 82.0 to 88.0; English hindquarters 53.0 to 57.5; Ulster hindquarters 98.0 to 106.0. Lamb—English small 70.0 to 74.0, medium 68.0 to 72.0, heavy 66.0 to 68.0; imported: New Zealand PL 59.3 to 60.0, PX 56.5 to 57.0. Pork—English under 100 lbs 47.5 to 56.0, 100-120 lbs 49.0 to 54.3, 120-160 lbs 42.0 to 52.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 101.65p per kg lw (+4.97). GB—Sheep 155.83p per kg est dcw (+0.58). GB—Pigs 79.39p per kg lw (+2.14).

INDICES

FINANCIAL TIMES

Dec. 15	Dec. 12	M'th ago	Y'ar ago
228.90	292.81	893.44	258.32

(Base: July 1 1952=100)

REUTERS

Dec. 14	Dec. 13	M'th ago	Y'ar ago
1961.3	1882.1	1895.4	1568.5

(Base: September 18 1931=100)

MOODY'S

Dec. 13	Dec. 12	M'th ago	Yearago
1046.4	1031.4	1012.3	388.5

(December 31 1931=100)

DOW JONES

Dow Jones	Dec. 13	Dec. 12	Month ago	Year ago
Spot	168.4	162.16	138.46	153.73
Fut's	144.3	144.80	143.06	136.21

(Base: December 31 1974=100)

English Produce — Apples — per lb, Cox's 0.17-0.30, Russet 0.18-0.25, Spartan 0.12-0.15, Laxton's Superb 0.12-0.16, Bramley 0.13-0.20. Pears—per lb, Comice 0.15-0.22, Conference 0.10-0.20. Potatoes—Whites 4.20-4.60, Edwards 4.80-5.20, Bakem 7.00-8.50. Mushrooms—per lb, open 0.70-0.80, closed 0.80-1.00. Lettuce—per tray round 1.20-1.80. Onions—per 55 lb 3.00-4.50. Cabbages—per 25 lb, Celtic 2.90-3.00, Jan King 3.00-3.40. Greens—Cornish 40 lb 3.00-4.00. Cauliflowers—12 lb Cornish 18's 4.0. Celery—prepacked 3.00-3.60, dirty, by subes 2.00-2.20. Beetroots—28 lb 1.80-2.00. Turnips—28 lb 2.00-2.80. Swedes—28 lb 1.20-1.40. Leeks—per lb 0.17-0.20. Carrots—28 lb 1.20-1.80. Parsnips—28 lb 2.80-3.00. Sprouts—per lb 0.14-0.17. Calabrese—per lb, Kent 0.55-0.60. Rhubarb—per lb 0.35.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Satsumas—Spania: 3.20-3.50. Clementines—Corsican: 2.80-3.40; Spanish: 82/120 4.50-4.80, 132/168 4.50, 182/210 4.00-4.20; Moroccan: 2's 4.60, 3's 5.20-4.40, 4's 5.00-4.20. Oranges—Spania: 32/48/54/60 5.80-6.00, 70/80/80 5.80-6.00, 100/110/120 5.80-6.00; Moroccan: 48 0.20, 54 5.20, 83 4.90-5.00, 70/80 4.60-4.70, 96 5.20, 108/120 5.50. Lemons—Italian: carton 5.50-6.00; Cyprus: 10 kg boxes 3.50-4.40; Greek: 10 kg 4.00-4.50, 15 kg 0.50-7.50; Spania: 5 kg 2.00-2.40. Grapefruit—Jaffa: 32 4.80, 36 4.80, 40 4.60, 48 4.40, 56 4.00. Sunrise 32 5.60, 32 6.20, 36 6.40, 40 6.40, 48 6.20, 56 6.00, 48 5.60, 56 5.20; U.S.: Ruby 6.50-7.50; Cyprus: 32 4.60, 40 4.30, 48 4.00, 56 3.80, 64 3.60; Cuban: Pink 36/40 3.50-4.00. Apples—French: Golden Delicious carton 5.50-7.00, Granny Smith carton 8.20-8.80, Starkcrimson, carton 6.00-6.50; Italian: 21 kg Golden Delicious 5.50-6.00, Starking 0.50; Hungarian: Red Delicious 19 kg approximately 7.00-7.20; U.S.: Red Delicious new season carton 12.00-13.00. Pears—Per pound Italian; Passacrassana 0.12-0.14. Grapes—Italian Per pound, Italia 0.32-0.38; Spanish: Almeria 0.20-0.25, Napoleon 0.23-0.25. Peaches—Cape: 23/28 3.50-5.00; Chilean: 64/70 14.00-15.00. Nectarines—Cape: 28/30 5.00-6.00; Chilean: 66/70 14.00-15.00. Apricots—Cape: 11 lb 7.00-8.00. Strawberries—Israeli: 0 oz 0.90-1.00; New Zealand: 1.40-1.50. Cherries—Chilean: per pound 1.60. Cranberries—U.S.: pack x 18 8 oz 7.20, 24 x 12 oz 19.20. Melons—Spanish: 10 kg green 4.00-5.50, 15 kg green 6.50-11.00; Israeli: Galia 6.25-7.25, Ogen 6.50-6.50. Bananas—Colombian: 40 lb boxes 8.50-10.00; Martinique: 33 lb 7.00-7.20. Avocados—Canary: 4.50-5.00; Israeli: 4.00-4.40. Pineapples—Each: Ivory Coast 0 0.40, C 0.60-0.75, B 0.75-0.85, A 1.40-1.50; Cape: 8's 0.35-0.40, 8's 0.40-0.45, 7's 0.50-0.55, 6's 0.70-0.75, 5's 0.80-0.85, 4's 1.00-1.10; Ghana: Each 1.40-1.60. Paw Paws—Brazilian: 8.00-6.50. Mangoes—Kenyan: 8.00-8.50; Brazilian: 8.00-8.50. Persimmons—Italian: tray 9.00-2.20. Sharonfruit—Israeli: 12/18 2.60-2.80. Figs—Smyrna: 48's x 8 oz 0.00-9.20. Kiwifruit—New Zealand: 6.50. Litchees—South African: per pound 1.00-1.10. Tomatoes—Spanish: tray 3.40-3.60, beefsteak 3.20-3.50; Canary: tray 4.20-4.80; Portuguese: beefsteak 5.20-5.30. Lettuce—Dutch: trays 24's 3.80-4.20; French: 12's 1.60-1.70. Cucumbers—Tray, Canary. 3.00-3.50.

Fennel—Italian: 9 kg 4.00-4.50. Aubergines—Canary: 4.00-4.50; Israeli: 2.00-6.20; Italian: 3.60-6.00. Onions—Spanish: 25 kg nets, Zamgoza 6.00-6.40; Dutch: 45/80 mm 3.20, 50/80 mm 4.70-4.80; Polish: 4.80. Capsicums—Dutch: green 6.00-8.50, red 7.50-8.00; Israeli: green 3.80-4.00, md 7.00-7.50; Spanish: green 3.80-4.00, red 8.00, yellow 4.00-4.50; Canary: green 4.20-4.50. Cabbages—Dutch: red 6.40-5.50, white 5.60-5.80. Sugar Peas—per lb, Kenyan: 1.20-1.40; Morocco: 0.90-1.00. Globe Artichokes—Cyprus: 24's 7.20; Egyptian: 24's 12.00. Courgettes—per lb, Spanish: 0.32-0.35; Kenyan: 0.50-0.52; Cyprus: 0.50. Chestnuts—Italian: 22 lb 80/85 mm 6.50, 60/65 mm 7.50; 45/50 mm 9.50; Spanish: 11 lb 3.40-4.00. Dates—Baskets x 30 0.53-0.62; packets x 24 0.45-0.50. Brazils—Large washed Manaos per lb 0.46-0.47, medium 0.44. Walnuts—Chinese: per lb 0.28-0.30; U.S.: new crop per lb 0.55-0.58. Filberts—Sicilian: per lb 3.32. Almonds—Ibiza: semi-soft per lb 0.45-0.48. Pecans—U.S.: per lb 0.85-0.90. Calabrese—Italian: per lb 0.32-0.36; Jersey: 0.50-0.55. Sprouts—Dutch: per lb 0.18-0.20. Asparagus—per lb, Chilean: 2.00-2.50. Cauliflowers—Jersey: x24 8.00-9.60; French: 6's 3.80. Celery—Israeli: 20's 5.80-6.80; Italian: 20/24's 4.80-6.00; Spanish: 5.00-5.40. Endive—French: crates 6.00-6.50. Parsley—Jersey: crates 0.50-6.00; French: 5.60-6.00. Mistletoe—French: Large crates 5.50-6.00 plus VAT. Sweet Potatoes—Israeli: 22 lb 7.00; Egyptian: 33 lb 9.50.

AMERICAN MARKETS

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	7555	7570	7510	7665
May	7615	7625	7600	7605
July	7735	—	—	7720
Sept	7856	—	—	7836
Dec	8035	—	—	8015
Jan	8090	—	—	8075

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	154.50	56.00	54.50	56.02
March	148.98	50.00	48.20	49.58
May	143.00	44.10	42.50	43.86
July	139.50	40.60	39.20	40.25
Sept	136.75	38.75	38.75	37.63
Dec	134.13	—	—	35.13
March	132.38	—	—	33.50

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Dec	63.70	64.15	63.30	64.05
Jan	64.05	64.35	63.70	64.35
Feb	64.70	—	—	65.00
March	65.35	65.90	64.75	65.65
May	66.65	67.25	66.10	66.95
July	67.90	68.50	67.40	68.25
Sept	69.25	69.90	69.00	69.60
Dec	71.35	72.00	71.00	71.70
Jan	72.05	—	—	72.40
March	73.40	73.85	73.10	73.75

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	931.0	939.0	927.0	939.3
Jan	935.0	934.5	934.5	943.8
Feb	942.0	—	—	951.1
March	950.0	960.0	945.0	959.0
May	967.0	975.2	964.0	975.8
July	984.0	992.0	979.5	993.3
Sept	1001.5	—	—	1010.5
Dec	1028.0	1034.0	1030.0	1036.8
Jan	1037.0	—	—	1045.9
March	1055.0	1067.0	1064.0	1063.8

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	214.5	215.4	214.0	214.6
Jan	215.7	216.5	214.7	215.9
March	217.3	218.5	216.2	218.1
May	217.4	218.5	216.5	218.3
July	217.5	218.6	216.6	217.5
August	213.0	214.5	213.0	213.0
Sept	205.0	205.0	203.0	204.0
Oct	186.5	187.0	185.5	184.9
Dec	187.5	187.5	185.0	186.0
Jan	188.6	189.5	184.0	186.0

SUGAR WORLD "11" 112,000lb, cents/lb

	Close	High	Low	Prev
Jan	7.56	7.60	7.20	7.60
March	8.54	8.72	8.46	8.59
May	8.85	0.03	8.80	8.95
July	9.20	9.28	9.13	8.26
Sept	9.47	9.47	9.41	9.50
Oct	9.82	9.74	9.56	9.70
Jan	10.21	10.50	10.16	10.41
March	10.60	10.75	10.59	10.73

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Dec	340.6	340.6	337.0	337.0
March	351.2	352.0	347.0	348.6
May	349.2	350.5	347.0	348.3
July	338.2	338.4	335.0	336.2
Sept	345.2	345.2	342.0	343.2
Dec	358.0	358.0	355.2	355.8

CHICAGO

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	325.2	326.4	323.4	326.4
March	329.2	330.2	326.6	329.2
May	332.4	333.4	330.2	332.2
July	332.6	333.8	330.0	332.2
Sept	307.0	307.4	305.4	308.2
Dec	289.8	290.0	287.6	288.8

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	26.90	26.90	26.38	26.60
Jan	26.97	27.00	26.48	26.66
March	27.52	27.55	27.01	27.25
May	27.96	27.96	27.50	27.71
July	28.10	28.10	27.66	27.77
August	27.66	27.65	27.30	27.30
Sept	26.65	26.70	26.30	26.30
Oct	25.35	25.35	24.95	25.05
Dec	25.05	25.05	24.65	24.70
Jan	24.95	—	—	24.45

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Jan	774.4	777.0	766.4	772.0
March	791.4	793.4	782.0	789.0
May	803.6	805.0	794.0	799.0
July	808.2	809.4	799.0	804.5
August	796.2	796.0	784.4	786.0
Sept	735.2	736.0	726.0	727.0
Nov	686.0	686.4	674.4	676.2
Jan	698.4	698.4	689.0	688.4
March	711.0	711.0	700.0	701.0

Elf lifts U.S. exploration

PARIS—Societe National Elf Aquitaine plans to boost its exploration expenditure in the U.S. to FFr 1bn ($83.3m) in 1984, from slightly less this year.

The parent company will commit FFr 600m, or a tenth of its 1984 exploration budget, to the U.S. market and its Texasgulf subsidiary will add about FFr 400m.

M Michel Pecqueur, the company's chairman, said he is confident that Texasgulf will show a substantial profit in 1984.

M. Pecqueur said Elf plans to make particular efforts in the U.S. and Southeast Asia—especially Malaysia, Indonesia and China—in 1984, while maintaining exploration in traditional zones like the Gulf of Guinea and the North Sea.

Elf will spend FFr 500m on exploration in France in 1984.

On Elf's newly-reorganised chemical operations, he said the company is discussing with other major European producers reciprocal agreements, which will cut overcapacity and protect against a wave of imports from the Middle East.

Reuter

Backing for Commons cameras

AN Audience Selection telephone poll on the proposed televising of parliament found 65 per cent in favour. Men (70 per cent) were more strongly in favour than women (61).

هكذا امنه الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Bundesbank stems dollar rise

The dollar fell in late European trading following heavy intervention by the German Bundesbank. Earlier in the day the U.S. currency had been around e 10-year peak against the D-mark, and at further records against sterling, the French franc, Italian lira and Scandinavian currencies, as signs of continued strong U.S. economic recovery led to fears that next week's meeting of the Federal Open Market Committee will result in tighter credit policy and higher U.S. interest rates. Much higher than expected U.S. retail sales figures announced on Tuesday continued to attract attention, while Eurodollar interest rates held generally firm, and the Federal funds rate rose in New York, although trading was probably distorted by weekly make-up day for the banks.

These factors, coupled with concern about tension in the Lebanon, were pushing the dollar up steadily until the Bundesbank entered the market in the afternoon. The German central bank sold $47.7m at the Frankfurt fixing, but it was the further sales of perhaps another $200m later in the day which weakened the U.S. currency, pushing it down to DM 2.7660 from DM 2.7680, after a peak of DM 2.7780.

The Swiss National Bank did not join the Bundesbank in intervention, but the dollar also fell to SwFr 2.2115 from SwFr 2.22; to FFr 8.4375 from FFr 8.45; and to Y234.95 from Y236.25.

The dollar's trade-weighted index closed unchanged at 130.8.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4170. November average 1.4773. Trade-weighted index 81.8 throughout, compared with 82.0 on Tuesday, and 84.5 six months ago.

Sterling retreated to another record low against the dollar, but closed above its worst level after an announcement from the British National Oil Corporation that it is proposing unchanged prices for North Sea oil in the first quarter of 1984. The pound opened at $1.4170-1.4180, and after touching $1.4200-1.4210 fell to a low of $1.5090-1.4100, before closing at $1.4165-1.4175, e fall of 25 points on the day. Sterling also declined to DM3.9225 from DM3.9325; FFr 11.9525 from FFr 11.9925; SwFr 3.1375 from SwFr 3.1525; and Y333.25 from Y335.50.

D-MARK — Trading range against the dollar in 1983 is 2.7680 to 2.3320. November average 2.6847. Trade-weighted index 124.3 against 127.7 six months ago.

The dollar rose to a 10 year high against the D-mark in Frankfurt yesterday and was fixed at DM2.7685 up from DM2.7534 on Tuesday. The Bundesbank sold $47.7m at the fixing and trading during the morning threatened to push the dollar even firmer. Volume was on the low side. Afternoon trading reflected a sharp reversal in the dollar's recent rise however, with the Bundesbank confirming that it had intervened heavily during the afternoon with dealers estimating dollar sales of around $200m. The Bank's determination to try and contain the dollar's rise prompted some profit taking and the dollar slipped to DM2.7590 before recovering to DM2.7615.

BELGIAN FRANC — Trading range against the dollar in 1983 is 56.19 to 45.90. November average 54.53. Trade weighted index 89.4 against 92.8 six months ago.

The Belgian National Bank spent the equivalent of BFr 8.6bn in the week up to last Monday in support of the Belgian franc. Much of this was designed to restrain the dollar's continued strength with the Belgian franc falling to e record low during the week. Pressure within the EMS was less noticeable and the Belgian unit showed e small improvement against the French franc, moving away from its cross rate floor level. At yesterday's fixing the French franc slipped to BFr 6.6455 from BFr 6.6582½ while the dollar rose to a record fixing level of BFr 56.3375 from

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.8962	+2.22	+1.72	±1.5447
Danish Krone	8.14104	8.16582	+0.30	−0.20	±1.6425
German D-Mark	2.24184	2.25577	+0.62	+0.12	±1.0842
French Franc	6.87456	6.89459	+0.29	−0.21	±1.4052
Dutch Guilder	2.52595	2.53271	+0.27	−0.23	±1.4964
Irish Punt	0.72569	0.725539	−0.02	−0.52	±1.6899
Italian Lira	1403.49	1364.77	−2.76	−2.76	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Dec. 14	Previous
Spot	$1.4200-4210	$1.4150-4160
1 month	0.13-0.10 dis	0.15-0.16 dis
3 months	0.31-0.36 dis	0.31-0.34 dis
18 months	1.25-1.35 dis	1.29-1.34 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Dec 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4090-1.4210	1.4165-1.4175	0.13-0.17c dis	−1.27	0.29-0.34dis	−0.89
Canada	1.7695-1.7770	1.7700-1.7710	par-0.10c dis	−0.34	0.15-0.25dis	−0.45
Nethlnd.	4.38½-4.41	4.39½-4.40½	1½-⅞c pm	3.07	3½-3 pm	2.95
Belgium	79.40-79.90	79.65-79.75	3-13c dis	−1.20	27-37 dis	−1.91
Denmark	14.13½-14.20½	14.14½-14.15½	2½-3½ore dis	−2.54	7½-8¼ dis	−2.17
Ireland	1.2810-1.2880	1.2810-1.2820	0.32-0.40p dis	−3.43	0.90-1.00dis	−3.01
W. Ger.	3.90½-3.93	3.91½-3.92½	1½-½pf pm	2.68	3½-2½ pm	2.93
Portugal	186.00-188.25	187.50-188.00	130-305c dis	−13.90	465-970dis	−15.29
Spain	225.40-226.30	225.80-226.00	235-305c dis	−13.28	665-735dis	−12.39
Italy	2,364½-2,378	2,367-2,369	14-15 lire dis	−7.60	44-47 dis	−7.68
Norway	10.98-11.06½	11.03-11.04	3¾-4¾ore dis	−4.42	10½-11 dis	−3.83
France	11.90-11.99	11.94½-11.95½	3-4c dis	−3.51	10-12 dis	−3.68
Sweden	11.44½-11.50½	11.48½-11.49½	2½-3ore dis	−2.87	6½-7½ dis	−2.37
Japan	332½-335	332½-333½	0.70-0.60y pm	2.34	2.30-2.15 pm	2.67
Austria	27.45-27.68	27.58-27.63	7-5⅞gro pm	2.80	22½-19 pm	3.01
Switz.	3.12-3.15	3.13½-3.14½	1½-1c pm	4.78	4-3½ pm	4.78

Belgian rate is for convertible francs. Financial franc 81.05-81.15. Six-month forward dollar 0.57-0.62c dis. 12-month 1.22-1.32c dis.

THE DOLLAR SPOT AND FORWARD

Dec 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4090-1.4210	1.4165-1.4175	0.13-0.17c dis	−1.27	0.29-0.34dis	−0.89
Ireland†	1.1215-1.1250	1.1235-1.1245	0.19-0.16c pm	1.87	0.57-0.50 pm	1.90
Canada	1.2495-1.2515	1.2500-1.2505	0.08-0.06c pm	0.67	0.15-0.13 pm	0.45
Nethlnd.	3.1015-3.1120	3.1015-2.1035	1.10-1.00c pm	4.06	3.11-3.01 pm	3.94
Belgium	56.30-56.35	56.25-56.27	2c pm-par	0.21	5-9 dis	−0.50
Denmark	9.9850-10.0400	9.9850-9.9900	0.40-0.90ore dis	−0.78	½-1 dis	−0.30
W. Ger.	2.7570-2.7780	2.7655-2.7665	0.95-0.90pf pm	4.02	2.75-2.70 pm	3.94
Portugal	131.90-132.60	132.30-132.60	80-200c dis	−12.88	300-650dis	−14.34
Spain	159.40-159.85	159.40-159.50	140-160c dis	−11.28	420-470dis	−11.15
Italy	1,671-1,677½	1,671-1,672	9-9½lire dis	−0.64	28-28½ dis	−5.79
Norway	7.7880-7.8020	7.7880-7.7930	1.90-2.20ore dis	−3.15	5.40-5.70dis	−2.84
France	8.4100-8.4960	8.4350-8.4400	1.45-1.60c dis	−2.34	5.50-6.00dis	−2.72
Sweden	8.1040-8.1270	8.1040-8.1090	1.05-1.25ore dis	−1.70	2.95-3.15dis	−1.50
Japan	234.50-236.25	234.90-235.00	0.72-0.68y pm	3.57	2.15-2.10 pm	3.62
Austria	19.46-19.54	19.45-19.46	7.00-6.40gro pm	4.13	20½-18½ pm	4.01
Switz.	2.2050-2.2175	2.2110-2.2120	1.08-1.03c pm	5.73	3.20-3.15 pm	5.75

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 67.22-57.27.

OTHER CURRENCIES

Dec. 14	£	$		£ Note Rates
Argentina Peso	29.59-28.79	20.905-20.925	Austria	27.50-27.80
Australia Dollar	1.5850-1.5890	1.1185-1.1205	Belgium	80.30-81.10
Brazil Cruzeiro	1,329.3-1,333.3	935-946	Denmark	14.14-14.28
Finland Markka	8.3175-8.3430	5.8915-5.8935	France	11.92-12.04
Greek Drachma	140.00-140.60	98.70-99.20	Germany	3.90¼-3.94¼
Hong Kong Dollar	11.08¾-11.09¾	7.8165-7.8185	Italy	2360-2390
Iran Rial	126.15*	88.50*	Japan	334-338
Kuwait Dinar (KD)	0.41575-0.41620	0.2934-0.2936	Netherlands	4.38-4.42
Luxembourg Fr.	79.65-79.75	56.25-56.27	Norway	11.00-11.11
Malaysia Dollar	3.3180-3.3240	2.3395-2.3419	Portugal	185-195
New Zealand Dlr.	2.1825-2.1875	1.5405-1.5425	Spain	221½-229¼
Saudi Arab. Riyal	4.9315-4.9370	3.4805-3.4815	Sweden	11.45-11.58
Singapore Dollar	3.0240-3.0300	2.1320-2.1335	Switzerland	3.12¼-3.16¼
Sth. African Rand	1.7260-1.7300	1.2180-1.2210	United States	1.40¾-1.42¾
U.A.E. Dirham	5.2030-5.2085	3.6720-3.6730	Yugoslavia	199-218

* Selling rates.

CURRENCY MOVEMENTS

Dec. 14	Bank of England Index	Morgan Guaranty Changes%
Sterling	81.8	−8.0
U.S. dollar	130.8	+18.8
Canadian dollar	92.0	+0.8
Austrian schilling	114.4	+2.5
Belgian franc	88.4	−12.1
Danish kroner	78.3	−6.1
Deutsche mark	124.3	+7.8
Swiss franc	150.5	+15.8
Guilder	114.3	+4.2
French franc	66.0	−15.5
Lira	48.1	−11.0
Yen	155.6	+12.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.733505	0.576461
U.S. $	8½	1.03838	0.815380
Canadian $	9.93	*	1.01772
Austria Sch	3¾	20.2578	15.9006
Belgian F	10	58.4980	45.8968
Danish Kr	7	10.3980	8.15586
D mark	4	2.87467	2.25577
Guilder	5	3.22627	2.53271
French F	8½	8.8002	6.89458
Lira	17	1741.05	1364.77
Yen	5	245.051	192.003
Norwgn Kr	8	8.09082	6.34803
Spanish Pta	—	165.656	129.986
Swedish Kr	8½	8.42102	5.61603
Swiss Fr	4	2.29995	1.80258
Greek Dr'ch	20½	103.004	80.7636

*CS/SDR rate for Dec 13: 1.30156.

EXCHANGE CROSS RATES

Dec. 13	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.417	3.923	333.5	11.953	3.138	4.400	2368.	1.771	79.70
U.S. Dollar	0.706	1.	2.766	235.2	8.438	2.212	3.103	1071.	1.251	56.25
Deutschemark	0.255	0.361	1.	84.96	3.047	0.800	1.122	603.7	0.451	20.38
Japanese Yen 1,000	3.001	4.252	11.77	1000.	35.87	0.415	13.20	7105.	5.313	238.2
French Franc 10	0.837	1.186	3.282	278.8	10.	2.622	3.681	1981.	1.481	66.68
Swiss Franc	0.319	0.452	1.250	106.2	3.819	1.	1.402	754.7	0.564	25.40
Dutch Guilder	0.227	0.322	0.891	75.74	2.710	0.713	1.	538.2	0.402	18.11
Italian Lira 1,000	0.422	0.598	1.656	140.7	5.046	1.325	1.858	1000.	0.748	33.55
Canadian Dollar	0.565	0.800	2.218	188.2	6.751	1.772	2.485	1337.	1.	45.02
Belgian Franc 100	1.256	1.778	4.922	418.1	15.00	3.937	5.521	2971.	2.221	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8⅞-9	9⅝-9⅞	9¼-9⅝	5⅞-6⅛	1⅝-1⅞	5⅛-5⅜	11⅞-12⅛	15-16	8¾-9⅛	8¾-9¼	6⅝-6⅝	11⅜-11⅞
7 day's notice	8 8¼	9½-9¾	9⅜-9¾	5⅞-6⅛	1⅞-2⅛	5⅛-5⅜	12-12¼	15¾-16¾	8⅝-10	8⅝-10	6⅛-6⅜	11⅝-12⅛
Month	9⅛-9¼	10⅛-10⅜	9⅝-9⅞	6⅛-6⅜	4¼-4⅞	5⅞-6⅛	12⅜-12⅝	16¾-17¼	10¼-10¾	10⅜-10⅝	6⅝-7⅛	11½-12
Three months	9⅛-9⅝	10⅛-10⅜	9⅞-10⅛	6⅛-6⅜	4⅜-4⅝	6⅜-6⅝	13⅛-13⅜	17⅛-17⅝	10¾-11¼	10¾-11	6⅜-6⅝	11⅝-11⅞
Six months	9¾-9⅞	10⅛-10⅜	10⅛-10¼	6⅛-6⅜	4⅛-4⅜	6⅛-6½	14⅛-14⅜	17¾-18¼	11-11½	11-11¼	6⅜-6⅝	11⅜-11⅞
One Year	10⅛-10⅜	10⅞-11⅛	10⅜-10⅝	6⅜-6⅝	4⅛ 4⅝	6⅜-6⅝	14¼-14⅝	18¼-18⅞	11⅜-11⅞	11⅞-11⅝	6⅜-6⅝	11⅜-12⅛

Asian $ (closing rates in Singapore): Short-term 9⅝-9⅞ per cent; seven days 9⅝-9¾ per cent; one month 10⅛-10⅜ per cent; three months 10⅛-10½ per cent; six months 10⅜-10⅝ per cent; one year 10⅝-10⅞ per cent. Long-term Eurodollars two years 11-11½ per cent; three years 11¾-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates firmer

Short-term interest rates were slightly firmer in nervous London money market trading, reacting to the various bouts of sterling weakness. Three-month interbank money firmed to 9¼-9⁵⁄₁₆ per cent from 9⅛-9¼ per cent while discount houses buying rates for three-month bank bills rose to 8⅞-9 per cent from 8⅞ per cent.

The Bank of England forecast a money market shortage of around £150m in the morning, but this was revised to £200m at noon. Exchequer transactions added £320m to liquidity, although this was outweighed by bills maturing in official hands, and a take-up of Treasury bills from Friday's tender of £265m, and e rise in the note circulation of £200m.

Total help provided by the authorities was £273m. Before lunch the Bank of England bought £199m bills by way of £21m bank bills in band 2 (15-33 days) at 9 per cent; £1m Treasury bills in band 3 (34-63 days) at 8⅞ per cent; £9m local authority bills in band 3 at 8⅞ per cent; £154m bank bills in band 3 at 8⅞ per cent; and £14m Treasury bills in band 4 (64-91 days) at 8¾ per cent.

In the afternoon another £19m bills were purchased through £5m bank bills in band 3 at 8⅞ per cent; and £14m Treasury bills in band 4 at 8¾ per cent.

The authorities also provided late assistance of around £55m.

In Frankfurt the Bundesbank will hold its regular council meeting today, and this will not be followed by a press conference. It is expected that the 4 per cent discount rate and 5.5 per cent Lombard rate will be unchanged, despite speculation in the U.S. on Tuesday of e possible rise in the Lombard rate. On the other hand the council is expected to set money supply growth targets for the new year, and financial markets are looking for figures of around 4-6 per cent, compared with 4-7 per cent for the present year.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Dec. 14	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.45-5.50	12	1-2	5¾-6⅛	6.53180	17⅛-17⅞	6.50	12-12¼
One month	5.40-5.55	12⅛-12⅜	4⅜-4¾	6¼-6⅝	6.53125	—	10¾-10⅝	12¼-12½
Two months	5.35-5.50	12⅛-12¼	—	—	—	17⅜-17¾	—	12⅜-12⅝
Three months	5.35-5.50	12⅛-12¼	4⅜-4⅝	6⅛-6½	6.20190	17⅝-18	10¾-11	12⅜-12⅝
Six months	5.30-5.45	12¼-12⅜	—	6⅛-6⅝	—	—	—	12½-12¾
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 14 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]	[illegible]	—
Nine months	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 am December 14)

3 months U.S. dollars

bid 10 3/8	offer 10 1/2

6 months U.S. dollars

bid 10 9/16	offer 10 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	—	—	[illegible]	[illegible]	[illegible]
Three months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	—	[illegible]	[illegible]	—	—
One year	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 1, 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 6½ per cent. Treasury Bills: Average tender rate of discount 8.8843 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9½ per cent; three-six months 9½ per cent; six-12 months 10¼ per cent. Under £100,000 9¾ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10-10¼
Fed funds	9¾
Fed funds at intervention	[illegible]

Treasury Bills

One month	8.80
Two month	8.90
Three month	9.08
Six month	9.24
One year	9.27

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FINANCIAL FUTURES

Currencies dominate

Currency movements dominated trading in most sectors of the London International Financial Futures Exchange yesterday. The dollar resumed its upward trend in early trading but news later in the day that the Bundesbank had intervened heavily to stem the rise prompted some profit taking. Consequently U.S. bond prices moved up, helped by a smaller than expected rise in U.S. business inventories and this in turn pushed gilt prices firmer in late trading.

Gilt prices were also underpinned by e partial sterling recovery following news that BNOC had proposed unchanged oil prices for the first quarter of 1984. Short sterling prices also rallied on this news as cash prices eased from a firmer opening. Euro-dollar rates finished unchanged on the day with early losses attributable to concern over the current high level of Federal funds. The latter were quoted at 9¹¹⁄₁₆ per cent compared with 9⁷⁄₁₆ per cent on Tuesday.

Dealers suggested that yesterday's weaker trend in the dollar was temporary, pointing out that there was no real change in the factors that have been underpinning the dollar over the past month. The March Euro-dollar price opened at 89.36, down from 89.41 and traded in a narrow seven point range before finishing at 89.41, unchanged from Tuesday.

The March gilt price opened et 106-24 and eased initially to a low of 106-17 before recovering in the afternoon to a high of 107-18. It closed at 107-12 up from the previous close of 106-25.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	89.41	89.42	89.35	89.41
March	89.10	89.12	89.06	89.10
June	88.91	88.91	88.85	88.88
Sept	88.64	—	—	88.65
Dec	88.37	—	—	88.38

Volume 2,504 (3,469)
Previous day's open int 8,452 (8,694)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.69	—	—	90.78
March	90.28	90.29	90.16	90.22
June	90.08	90.10	89.97	89.91
Sept	89.89	89.90	89.75	89.81
Dec	—	—	—	89.62

Volume 1,062 (1,584)
Previous day's open int 5,331 (5,167)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	108-15	108-15	107-25	108-00
March	107-12	107-18	106-17	106-25
June	107-00	—	—	106-11
Sept	106-18	—	—	105-30
Dec	106-05	—	—	105-17

Volume 3,940 (3,459)
Previous day's open int 3,331 (3,270)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of March contract) 42 to 58 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.4221	1.4236	1.4140	1.4220
March	1.4250	1.4275	1.4155	1.4245
June	[illegible]	—	—	[illegible]

Volume 316 (342)
Previous day's open int 2,179 (2,463)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3654	0.3656	0.3638	0.3649
March	0.3692	—	—	0.3686
June	—	—	—	—

Volume 48 (47)
Previous day's open int 246 (234)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4559	0.4580	0.4559	0.4576
March	0.4625	—	—	0.4649
June	—	—	—	—

Volume 4 (2)
Previous day's open int 81 (81)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4255	0.4295	0.4277	0.4273
March	0.4335	—	—	0.4313
June	—	—	—	—

Volume 18 (12)
Previous day's open int 219 (222)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-24	69-30	69-22	69-22
March	69-01	69-08	68-31	69-00
June	68-18	68-20	68-12	68-13
Sept	67-31	68-03	67-30	67-29
Dec	67-17	67-20	67-14	67-15
March	67-03	67-07	67-03	67-03
June	66-25	66-28	66-24	66-23
Sept	66-16	66-20	66-15	66-14
Dec	—	—	—	—
March	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.97	90.98	90.95	90.97
March	90.41	90.45	90.36	90.42
June	90.12	90.14	90.06	90.11
Sept	89.89	89.90	89.85	89.88
Dec	89.70	89.70	89.67	89.69
March	89.50	89.50	89.47	89.50
June	89.31	89.31	89.29	89.31

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.12	90.20	90.10	90.16
March	89.48	89.58	89.46	89.53
June	89.20	89.22	89.15	89.17
Sept	88.95	88.96	88.90	88.90
Dec	—	—	—	—
March	—	—	—	—
June	77.65	77.00	77.65	77.65

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	88.64	88.57	88.52	88.61
March	89.13	89.14	89.08	89.11
June	88.83	88.84	88.77	88.78
Sept	88.65	88.71	88.65	88.64
Dec	88.37	88.38	88.33	88.32
March	88.15	88.15	88.11	88.16

STERLING (IMM) Se per £

	Latest	High	Low	Prev
Dec	1.4220	1.4245	1.4165	1.4170
March	1.4245	1.4260	1.4180	1.4195
June	1.4290	1.4290	1.4185	1.4230
Sept	1.4310	1.4320	1.4215	1.4255
Dec	1.4330	1.4330	1.4260	1.4300
March	1.4370	1.4370	1.4300	1.4325

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-20	69-19	69-13	69-16
March	68-15	68-13	68-04	68-08
June	67-06	67-12	67-06	67-08
Sept	66-17	66-17	66-13	66-13
Dec	65-21	65-26	65-20	65-22
March	—	—	—	—
June	64-18	64-23	64-18	64-19
Sept	—	—	—	64-06
Dec	—	—	—	—

INTERNATIONAL CAPITAL MARKETS

$250m floater for Crédit Lyonnais

BY MARY ANN SIEGHART IN LONDON

CRÉDIT LYONNAIS, the French bank, launched a $250m floating rate note in the Eurodollar bond market yesterday. The borrower is leading the deal with Salomon Brothers, Credit Suisse First Boston, Merrill Lynch and Nomura International.

The bond has a 12-year life with a put option for investors after eight years and pays ⅛ point over the six-month London interbank offered rate (Libor) at par. With front-end fees of 1⅛ per cent, the all-in cost to the borrower averaged over the eight years to the put option is 0.28 per cent over Libor.

Although the bond started trading within its total fees, the price soon dropped to around 98.70, giving a spread over Libor nearer to similar French seasoned floaters. At this level, however, co-managers receiving their 1.15 per cent fee were losing money.

Today will see the launch of a DM 100m private placement for Industrial Bank of Japan, led by Deutsche Bank. The six-year issue will have a 7½ per cent coupon at a price of 99¾.

The D-Mark new issue calendar for the coming month has a total of DM 1bn worth of issues. Initial market reaction was favourable.

Prices of D-Mark and dollar seasoned bonds eased slightly yesterday in minimal turnover. In Switzerland, prices closed unchanged.

BHF Bank bond average

Dec 14		Previous
97.874		98.037
High	1983	Low
102.017		97.699

D-MARK NEW ISSUE CALENDAR

Date	Borrower	Amount	Lead Manager
15 Dec	Industrial Bank of Japan (pp)	100m	Deutsche Bank
3 Jan	City of Copenhagen	100m	Deutsche Bank
9 Jan	EEC	200m	Deutsche Bank
10 Jan	Michelin (pp)	100m	Commerzbank
11 Jan	Kingdom of Spain	200m	Dresdner Bank
12 Jan	R. J. Reynolds	125m	Deutche Bank
16 Jan	Allied Corporation	125m	Dresdner Bank
17 Jan	GMAC (pp)	50m	Deutsche Bank

Next meeting: 18 Jan pp = Private placement

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 14.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¼ 90	100	93½	94	0	-0⅛	11.67
Australia Comm 11⅛ 90	100	100⅛	100⅝	0	-0⅜	11.15
Australia Comm 11½ 95	300	95½	96	0	-0½	12.19
Australia Comm 11⅝ 98	100	94¼	94¾	-0⅛	-0½	12.13
Bank of Tokyo 11 90	100	93⅝	94⅛	-0⅛	-0⅜	12.43
British Col Hyd 10¼ 88	200	95¾	96¼	-0¼	-0⅜	11.46
Brazil Fin 11⅞ 90	125	99⅛	99⅝	-0⅛	-0⅜	11.99
Canada 10⅞ 98	500	98¼	98¾	-0⅛	-0⅛	11.27
C.C.C.E. 11¾ 97	100	92⅜	92⅞	-0⅛	-0⅛	12.91
C.C.C.E. 12⅝ 95	75	98¼	98¾	-0½	-0⅜	12.88
C.I.O.D. 11 90	75	92	93	0	0	12.75
Citicorp O/S 10⅝ 90	100	90⅜	90⅞	-0⅛	-0¼	12.55
Citicorp O/S 11¾ 90	100	96⅝	97⅛	0	-0⅛	12.43
Cred Suisse BAH 10½ 90	150	98	98½	0	-0⅜	10.88
Den Norsk Cred 11⅛ 93	50	92½	93	-0¼	-0⅜	12.67
E.C.S.C. 11⅞ 00	75	98½	99	-0½	-0⅜	12.12
E.D.F. 11⅛ 93	100	91¼	91¾	-0¼	-0¼	12.78
E.E.C. 11 87	350	97¾	98¼	-0⅛	-0⅜	11.88
E.I.B. 10¾ 93	200	99	99½	-0⅛	-1¼	12.54
E.I.B. 11 91	125	93⅝	94⅛	-0⅛	-0⅝	12.27
Eksportfinans 11½ 90	100	95⅞	96⅜	0	-0¼	12.35
Electrolux 10½ 00	50	92⅜	92⅞	0	+0⅛	12.10
Ensearch Fin 11⅛ 90	100	95½	96	+0⅛	-0¼	12.39
Fuji Int Fin 10⅞ 90	100	92	92½	-0⅛	-0⅜	12.67
GMAC O/S Fin 11⅜ 90	100	99	99½	-0⅛	0	11.52
Honeywell Int 10¾ 90	100	95¼	95¾	-0⅛	-0¼	11.77
IC Indust Fin 11⅛ 98	75	95½	96	+0⅛	-0¼	12.52
Indust Bk Japan 10⅞ 88	100	96⅞	97⅜	+0⅛	-0⅛	11.71
Indust Bk Japan 11⅞ 91	100	97¼	97¾	0	-0⅛	12.38
ITT Finance 11½ 90 WW	125	100	100½	+0⅛	+0¼	11.52
Japan Air Lines 10⅞ 88	42	90¾	91¼	-0⅛	-0½	12.21
Japan Air Lines 11 00	75	93¾	94¼	-0⅛	-0⅜	12.07
J.C. Penney 11⅞ 90	100	99⅞	100⅜	0	0	11.83
J. P. Morgan 11⅜ 90 WW	150	96⅞	97⅜	0	-0⅛	12.05
Levi Strauss Int 11 90	75	95⅞	96⅜	+0⅛	+0⅛	11.88
L.T.C.B. 10¾ 90	100	91¾	92¼	-0⅛	-0½	12.58
L.T.C.B. 12½ 90	85	100¼	100¾	0	-0⅜	12.39
Merrill Lynch 10⅝ 00	200	93⅝	94½	+0⅛	0	12.02
Mitsubishi Corp 10½ 90	100	92⅜	92⅞	-0⅛	-0¼	12.10
Mitsubishi Fin 11⅜ 90	100	94¼	94¾	-0¼	-0⅜	12.85
Nippon Credit 11 90	100	92⅝	93⅛	-0¼	-0⅜	12.65
Nippon Credit 11⅛ 90	100	96⅝	97⅛	-0⅛	-0⅛	12.57
Ontario Hydro 10¼ 90	250	92⅞	93⅜	-0¼	-0⅛	11.88
Ontario Hydro 11¾ 90	200	100¼	100¾	0	0	11.52
Pacific Gas & Elec 12 91	75	101⅜	101⅞	-0⅛	-0¼	11.65
P.K. Banken 12 90 WW	75	96⅛	96⅝	-0⅛	-0½	12.81
Quebec Hydro 11½ 92	100†	97¼	97¾	-1⅛	0	11.97
Saskatchewan Pr 10¾ 90	125	94⅞	95⅜	-0⅛	-0½	11.87
Sears O/S Fin 11½ 00	125	100⅝	101⅛	0	-0⅛	11.22
Sears O/S Fin 11⅝ 93	150	97½	98	+0⅛	-0⅜	12.01
Sth Cal Edison 10½ 90	75	94⅝	95⅛	-0⅛	-0¼	11.65
Sumitomo Fin 10⅞ 90	100	91⅞	92⅜	-0½	-0½	12.68
Texaco Capital 10½ 93	200	93¾	94¼	-0¼	-0¼	11.54
U.O.S. 10 90	100	97⅞	98⅜	0	0	10.52
World Bank 11¼ 88	100	98⅜	98⅞	-0⅛	-0⅜	11.81
World Bank 11⅛ 00	200	95⅜	95⅞	-0⅛	-0⅜	12.21
World Bank 11½ 90	150	96½	97	-0⅛	-0⅜	12.21
World Bank 12 93	200	98½	99	-0⅛	-0⅜	12.20

Av. price changes: on day -⅛, on week -⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	94¾	95¼	+0⅛	-0⅛	7.52
Arab Banking Corp 8 88	100	98½	99	0	-0½	8.12
Asian Dev BK 8½ 93	200	99¼	99¾	-0¼	0	8.57
Austria, Rep 7⅝ 89	100	100	100½	+0⅛	+0⅛	7.55
Austria, Rep 8 93	100	100¾	101¼	-0⅛	-0⅜	7.84
Avon Int Fin 7½ 93	100	100⅜	100⅞	-0⅛	-0⅜	7.40
Barclays O/S 8⅛ 98	250	97⅞	98⅜	-0⅛	-0¼	8.36
Beatrice Foods 7¾ 93	130	103⅛	103⅝	0	-0½	7.23
B.F.C.E. 8⅛ 90	150	100⅜	100⅞	0	-0¼	8.11
Dresdner Finance 4 90 WW	250	196½	197	-0⅛	-1½	2.85
Dresdner Finance 4 90 XW	250	82¾	83¼	0	0	7.38
E.C.S.C. 8 90	100	99⅛	99⅝	-0¼	-0⅝	8.11
E.E.C. 8¼ 93	250	98⅜	98⅞	0	-1⅜	8.45
E.I.B. 8 93	200	98	98½	-0⅛	-0¼	8.28
Eurofima 7½ 90	100	99½	100	-0¼	-0⅜	7.54
Europarat 8¼ 93	150	99	99½	-0¼	-0¼	8.36
Finland Rep 8 90	150	97⅞	98⅜	-0¼	-0¼	8.36
Int Standard Ele 7¾ 93	100	102¼	102¾	0	-0½	7.37
Ireland 8⅝ 91	150	99½	100	-0⅛	-0⅜	8.66
Japan Dev Bank 7½ 90	100	100¾	101¼	-0⅛	-0⅜	7.29
L.T.C.B. 8 00	100	99½	100	-0¼	-1¾	8.04
Renault Acceptance 8 90	150	97⅝	98⅛	-0¼	-0⅜	8.40
S.B.R. France 7⅞ 93	100	96½	97	-0⅛	-0⅝	8.37
Sth African Tran 8¼ 90	100	98½	99	0	-0¼	8.49
World Bank 7½ 90	250	97½	98	-0¼	-0½	7.94
World Bank 7⅞ 88	300	98¾	99¼	-0⅛	-1	8.09

Av. price changes: on day -⅛, on week -½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 7¼ 91	57	78⅛	78⅝	-0⅛	-0⅜	11.53
Bank of Tokyo 6 91	100	101⅞	102⅜	-0¼	-0¼	5.65
Bergen, City of 5¾ 95	40	99½	100	-0⅝	0	5.79
Denmark 6⅜ 91	100	101	101½	-0½	-0⅞	6.15
E.E.C. 6 93	100	100⅞	101⅜	0	-0⅝	5.86
Europarat 6⅜ 93	100	98½	98¾	0	-0¼	6.31
Ind Fund Finland 6¼ 91	40†	101½	102	0	0	5.95
Int-Am Dev Bk 6 93	100	98⅛	98⅝	+0⅛	-0⅛	6.20
Ireland 6½ 93	90	99¾	100¼	+0⅛	+0⅜	6.50
Japan Dev Bank 5⅞ 93	100	102	102½	-0⅝	+0⅜	5.57
Jap Highway Pub 5⅞ 91	100	100	100¼	0	+0⅛	5.80
Kansai Ele Power 6 91	100†*	102½	103	+0⅛	+0½	5.54
Kawasaki Steel 6⅛ 91	100	100¾	101	+0¼	+0¼	5.97
Manitoba Prov 5½ 93	100	100⅞	101⅜	-0⅛	+0⅛	5.38
Mont Blanc Tunl 6⅞ 93	35†	102⅛	102⅝	-0⅛	-0½	6.06
Mount Isa Finance 6 93	100†	102¼	102¾	+0⅛	0	5.67
MTG Bk Denmark 6¼ 91	80	98⅞	99⅜	-0⅛	-0¼	6.39
New Brunswick 5⅝ 93	100	101⅞	102⅜	+0⅝	-0⅛	5.48
Nippon Tel & Tel 5¾ 93	100	100⅛	100⅝	-1⅛	-2¼	5.72
Nisshin Steel 6⅛ 91	100	102¼	102½	+2¼	+2	6.05
Osterr Post 6⅛ 91	100	102⅝	102⅞	-0⅞	0	5.86
Quebec Province 5⅝ 93	100	99¾	100	+0⅛	0	5.64
Shikoku Elec Power 6 91	100	102	102¼	0	+0⅛	5.66
Sumitomo Heavy Ind 6 91	100	102	102¼	-0⅛	+1⅛	5.65
Tokyo Elec Power 5⅝ 91	100	102½	102⅞	0	+0½	5.45
Trizec Corp 6⅛ 93	100	100	100¼	0	+0⅛	6.10

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	106¼	107	0	+0⅛	7.56
E.I.B. 8⅛ 92	15	103	103⅝	0	0	7.68
Int-Am Dev Bk 7⅞ 93	15	100½	101	0	+0⅛	7.76
New Zealand 7⅝ 89	15	102⅜	103⅛	-0⅛	-0⅛	6.94
World Bank 7⅝ 93	20	100¼	100¾	0	+0⅛	7.58

Av. price changes: on day 0, on week -⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 CS	75†	100⅛	100⅝	0	-0⅛	12.11
Loblaw 12½ 88 CS	35†	97¾	98¼	0	0	12.95
TD MTG Corp 12½ 88 CS	40†	100⅝	101⅛	0	-0⅛	12.17
Quebec Hydro 12¾ 93 CS	50†	101⅛	101⅝	-0⅛	-0⅜	12.48
Royal Trstco 12⅝ 90 CS	50†	101	101½	0	-0⅛	12.28
World Bank 12⅜ 90 CS	75†	100	100½	0	-0¼	12.17
Xerox Canada 12 88 CS	40†	102⅛	102⅝	0	0	11.29
E.I.B. 11½ 93 ECU	50	100½	101⅛	0	+0¾	10.97
Genfinance 11 90 ECU	60	98⅝	99⅛	0	+0½	11.17
Algemene Bank 8¾ 88 Fl	150	102½	103	-0⅜	+0⅜	8.00
Bank Mees & Hope 8 88 Fl	75	103	103½	0	0	8.13
Elect Sup Brd 8¾ 88 Fl	75	97½	97¾	-0⅛	0	9.43
P.H.P. 8¾ 88 Fl	50	102½	102⅞	0	+0½	8.07
Swed Exp Cred 7¾ 88 Fl	100	98⅞	99⅜	+0⅛	+0¼	8.71
World Bank 9 88 Fl	100	103⅛	103⅝	0	0	9.98
O.K.B. 14 90 FF	400	101⅞	102⅜	0	+0⅛	13.42
Solvay & Cie 14¾ 88 FF	200	102⅛	102⅝	0	0	13.33
B.F.C.E. 11½ 90 £	50	98⅞	99⅜	0	-0¼	11.72
British Oxyg 11¾ 91 £	50	99⅞	100⅜	0	0	11.86
CEPME 11¼ 95 £	35	102⅜	102⅞	+0⅛	+1¾	10.72
CIBA-Geigy Int 6⅝ 93 £	25	90	90½	0	-0⅛	6.98
E.E.C. 11⅞ 91 £	90	100⅝	101⅛	0	-0⅝	11.64
E.E.C. 11⅞ 00 £	50	100⅝	101⅛	-0⅛	-0½	11.70
Fin For Ind 10½ 90 £	20	94⅞	95⅜	-0⅛	-0¾	11.52
Finland Rep 11⅞ 90 £	90	100⅛	100⅝	0	-0⅜	11.70
Gen Elec Co 12½ 89 £	50	103¾	104¼	0	-0⅛	11.34
I.C.I. 10¾ 00 £	25	94⅞	95⅜	0	-0½	11.58
I.C.I. 11½ 91 WW £	50†	99¾	100¼	0	0	11.56
Mort Bk Fin 11¾ 90 £	10	97⅞	98⅜	-0¼	-0⅜	12.14
Norsk Hydro 12 90 £	30	100⅝	101⅛	-0⅛	-0⅜	11.80
Sweden 11⅛ 93 £	90	97⅞	98⅜	-0⅛	-0⅛	11.64
Swed Exp Cred 11¼ 88 £	30	98¼	98¾	-0⅛	-0⅜	11.81
World Bank 11⅞ 88 £	100	98½	99	0	-0⅜	11.41
Eurofima 10 91 LuxFr	500	99½	100½	0	-0⅛	10.06
Europarat 10¾ 93 LuxFr	600	100½	100⅞	-0⅛	-0⅜	10.64

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5⅛ 88	0⅛	99⅝	99⅞	28/1	10.16	10.20
Caisse Nat Tele 5¼ 90	0¼	99⅝	99⅞	21/4	10	10.05
C.C.F. 5¼ 95	0⅛	99⅝	99⅞	7/4	9.94	9.98
C.C.F. 5⅛ 98	0⅛	99⅝	100	24/3	10.19	10.20
Cepme 5¼ 88 WW	0¼	99⅝	100	3/3	10.31	10.33
Cepme 5¼ 92	0½	99⅞	100⅛	10/12	10½	10.50
Chemical NY 5⅛ 94 ††	0¼	100⅛	100⅜	23/12	10	9.98
C.O.C.A. 5¼ 95 XW	0⅛	99⅝	99⅞	7/6	10½	10.56
C.N.T. 5¼ 91	0¼	99⅝	99⅞	6/5	10.10	10.24
Credit Foncier 5¼ 93	0¼	99½	99¾	6/4	10	10.04
Credit Lyonnais 5⅛ 94	0⅛	99½	99¾	5/1	10.31	10.35
Credit Lyonnais 5¼ 97	0⅛	99⅝	99⅞	1/4	10	10.06
Denmark 5⅛ 90	0⅛	99¼	99½	13/4	10	10.06
Dresdner Fin 5¼ 00 XW	0⅛	99⅝	100⅛	10/4	9.94	9.94
E.D.F. 5⅛ 95 XW	0⅛	99⅝	100	10/2	11⅛	11.30
E.E.C. 5 90	0⅛	99⅞	100⅛	8/1	10.19	10.15
First Interstate 5¼ 95	0¼	99⅝	99⅞	8/3	9¼	9.28
GZB 5⅛ 98	0⅛	99⅝	99⅞	29/6	9¼	9.29
Hispano 5⅛ 95	0⅛	97¾	98	28/4	10	10.22
NZ Steel Dev 5⅛ 92	0¼	99⅞	100⅛	22/12	10¼	10.24
Saitama Inv 5¼ 93	0⅛	99⅝	100	5/6	9¼	9.28
Soc Generale 5⅛ 90 XW	0⅛	99½	99¾	8/5	10.31	10.35
Société Générale 5⅛ 95	0⅛	99¾	100	1/3	10.94	10.95
Sweden 5¼ 93	0¼	100⅛	100⅜	3/2	11.19	11.16
Sweden 5⅛ 2003	0¼	99¼	99½	17/5	9¼	9.25

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	123¾	124¾	-0⅛	0.57
Canon 7 97	7/82	688.2	238¾	239¾	+3¼	2.11
Daiwa Sec Co 5½ 98	10/83	481.6	95½	97	-0½	-2.36
Fanuc 3¾ 98	1/84	3142	118½	119½	+4	4.26
Hitachi Cable 5¼ 98	2/82	515	104¾	106¼	-0⅜	3.08
Honda Motor 5¼ 98	6/83	884	125	126¼	+1½	1.21
Honda Motor 5½ 97	3/83	759.6	144½	146	0	0.98
Konishiroku Photo 4 98	10/83	673	97	98	+0⅛	5.84
Kyowa Hakko 6¼ 97	2/83	762	108¾	110¼	+0⅜	14.83
Minebea Co Ltd. 5½ 98	5/83	667	107¾	109⅛	+1⅜	1.86
Mitsubishi Electric 5⅛ 98	6/83	398	107⅜	108⅞	+1⅛	9.00
Nippon Electric 5⅛ 97	2/82	795.9	176¼	178¼	+2¾	2.00
Nippon Oil Co 5½ 98	4/83	964	112½	113½	+1	12.30
Nissan Motor 5¾ 98	4/83	700	105¼	106¼	+0¼	-0.17
Olympus Optical 6⅝ 97	12/82	1157	107⅛	108⅝	+3	7.21
Orient Finance 5⅛ 97	3/82	927.2	91¼	92¾	0	9.77
Orient Leasing 5¼ 98	8/83	2680	86⅝	87⅝	+0⅛	1.48
Secom 5 98	11/83	2820	137¾	138¼	+2⅞	1.78
Yamaichi Sec Co 5 98	8/83	449.5	95½	97	+0⅛	-1.48
Yamanouchi Pharm'cal 4 90	10/83	1990	98¼	99½	+0⅜	10.39
Bridge.90 4¾ 93 SF	3/84	3.43	101½	103½	+0⅜	20.18
Settsu Paper 3⅞ 93 SF	9/83	716	101⅛	103⅛	+0⅛	13.06
Asics 5 92 DM	12/83	528	100	100¾	0	8.51
Konishiroku 6⅜ 88 DM	6/82	616	121⅞	122⅝	+0⅛	1.08
Sum Realty 6½ 92 DM	2/83	365	127¼	128¾	-0⅛	-5.33

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.